

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**

**Columbia County, Georgia
For
Fiscal year ended June 30, 2003**

**Prepared by:
Financial Services
Leanne C. DeLoach, CPA
Director of Financial Services**

COLUMBIA COUNTY, GEORGIA

Annual Financial Report Year Ended June 30, 2003

Table of Contents

INTRODUCTORY SECTION

Letter of Transmittal	i
Principal Officials	x
Organizational Chart	xi
Certificate of Achievement for Excellence in Financial Reporting	xii

FINANCIAL SECTION

	<u>Page</u>
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 16
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Assets	21
Statement of Activities	22-23
Fund Financial Statements:	
Balance Sheet – Governmental Funds	26
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Assets	27
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	30
Statement of Net Assets - Proprietary Funds	32-35
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	36-37
Statement of Cash Flows - Proprietary Funds	38-41
Statement of Fiduciary Net Assets - Fiduciary Funds	42
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	43
Notes to Financial Statements	45-75

COLUMBIA COUNTY, GEORGIA

Annual Financial Report Year Ended June 30, 2003

Table of Contents (continued)

FINANCIAL SECTION (Continued):	<u>Page</u>
COMBINING AND INDIVIDUAL FUND STATEMENTS	
GENERAL FUND BY OBJECT	
Statement of Revenues, Expenditures and changes in Fund Balance -- Budget and Actual	80-86
NONMAJOR GOVERNMENTAL FUNDS	
Combining Balance Sheet - Nonmajor Governmental Funds	88-89
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -- Nonmajor Governmental Funds	90-91
Combining Balance Sheet - Nonmajor Special Revenue Funds	92-95
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -- Nonmajor Special Revenue Funds	96-99
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual -- Nonmajor Special Revenue Funds	
Building Standards Fund	100
Federal Asset Sharing Fund	101
State Condemnation Fund	102
Street Lights Fund	103
Recreation Advisory Board	104
911 Fund	105
Jail Fund	106
Drug Abuse Treatment Fund	107
Supplemental Juvenile Services Fund	108
Community Center Operations Fund	109
Community Greenspace Fund	110
Hotel / Motel Fund	111
Library Board Fund	112
Clean and Beautiful Memorial Fund	113
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds	114
INTERNAL SERVICE FUNDS	
Combining Statement of Net Assets - Internal Service Funds	116
Combining Statement of Revenues, Expenditures, and Changes in Fund Net Assets -- Internal Service Funds	117
Combining Statement of Cash Flows - Internal Service Funds	118
AGENCY FUNDS	
Combining Statement of Changes in Fiduciary Assets and Liabilities -- Agency Funds	120-121

COLUMBIA COUNTY, GEORGIA

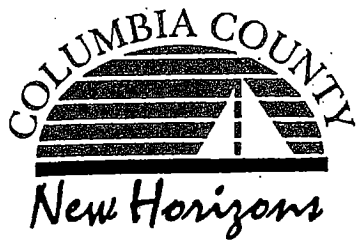
Annual Financial Report Year Ended June 30, 2003

Table of Contents (continued)

FINANCIAL SECTION (Continued):	<u>Page</u>
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS	
Capital Assets Used in the Operation of Governmental Funds Comparative Schedules By Source	123
Capital Assets Used in the Operation of Governmental Funds Schedule By Function and Activity	124
Capital Assets Used in the Operation of Governmental Funds Schedule Of Changes By Function and Activity	125
STATISTICAL SECTION (UNAUDITED):	
General Governmental Expenditures by Function – Last Ten Fiscal Years	126
General Governmental Revenues by Source – Last Ten Fiscal Years	127
Property Tax Levies and Collections By Tax Year – Last Ten Years	128
Assessed and Estimated Actual Value of Property – Last Ten Years	129
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	130
Principal Taxpayers	132
Special Assessment Billings and Collections – Last Ten Fiscal Years	133
Computation of Legal Debt Margin	134
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita – Last Ten Fiscal Years	135
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures – Last Ten Fiscal Years	136
Computation of Direct and Overlapping Bonded Debt – General Obligation Bonds	137
Revenue Bond Coverage – Water and Sewerage Department – Last Ten Fiscal Years	138
Demographic Statistics – Last Ten Years	139
Property Value, Construction and Bank Deposits – Last Ten Years	140
Miscellaneous Statistics	141
Revenue Bonds Disclosure	142
General Obligation Bonds Disclosure	152
SINGLE AUDIT SECTION:	
Report of Independent Certified Public Accountants on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	155
Report of Independent Certified Public Accountants on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	157
Schedule of Expenditures of Federal Awards	159
Notes to the Schedule of Expenditures of Federal Awards	160
Schedule of Findings and Questioned Costs	161

Introductory

Section



FINANCE DEPARTMENT

December 31, 2003

To the Honorable Chairman,
Members of the Board of Commissioners, and
Citizens of Columbia County, Georgia:

The Comprehensive Annual Financial Report (CAFR) of Columbia County, Georgia, for the year ended June 30, 2003, was prepared by the Columbia County Financial Services Division and is hereby submitted. This CAFR is being formally submitted as required by the Official Code of Georgia Annotated, Section 36-81-7 and Rule 15c2-12 of the Securities Exchange Act of 1934. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the County as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain a reasonable understanding of the County's financial affairs have been included.

The Comprehensive Annual Financial Report is presented in the following four sections:

- The introductory section includes this transmittal letter, a list of principal officials, the County's organization chart, and a copy of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2002.
- The financial section includes the independent auditor's report on the financial statements, management's discussion and analysis, the basic audited financial statements with notes, and combining fund statements.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis, and information required by the Securities and Exchange Commission under Rule 15c2-12 of the Securities Exchange Act relating to municipal bond disclosure.
- The single audit section includes schedules of expenditures of federal and state awards and independent auditors' reports relating to these schedules.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Columbia County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

Columbia County, established in 1790 and named in honor of Christopher Columbus, is located in the Central Savannah River Area of Georgia approximately 135 miles east of Atlanta and five miles northwest of Augusta/Richmond County. The 290 square mile county is bounded on the north by Thurmond Lake and the Savannah River (separating Columbia County from Lincoln County, Georgia, and McCormick and Edgefield Counties, South Carolina), on the south and east by Augusta/Richmond County, and on the west by McDuffie County.

A five-member Board of Commissioners governs Columbia County. The Board is comprised of one chairman, elected county wide, and four commissioners, each elected from a separate commission district serving four year staggered terms. A County Administrator, who is appointed by and responsible to the Board, directs the daily operation of the County. Services provided to the approximately 97,000 residents include: public safety (Sheriff's Office, detention center, E911), emergency services, community services, public works, planning and development, and other general governmental services. The County also provides water, sewer, storm water, and solid waste disposal services to the public.

FINANCIAL REPORTING ENTITY

The financial reporting entity includes all activities and functions of the primary government (i.e., Columbia County, Georgia) as well as all related component units, if any. "Financial Accountability" is the benchmark used to determine which legally separate entities represent component units of the primary government. Blended component units, although legally separate entities, are, in substance, an integral part of the primary government's operations and, therefore, are included as part of the primary government. Accordingly, the Columbia County Solid Waste Management Authority is reported as an Enterprise Fund of the primary government because its sole purpose is to perform development, leasing, and long-term planning of a solid waste facility for the County.

The Development Authority of Columbia County and the Columbia County Board of Health are reported as discretely presented component units in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial positions. The Development Authority serves to promote, pursue, and implement economic development in the County. The Board of Health serves to operate the public health department of the County.

ECONOMIC CONDITION AND OUTLOOK

Columbia County's steadfast growth over the past several years continues to remain strong, and the community and government are vibrant, progressive, and fiscally sound. We continue to attract individuals from all over the country to live, work, and retire in this diverse community.

As a major indicator of sustained growth, new home construction is steadily increasing. The variety of housing developments is impressive. A new public golf course/residential community and a large development with a golf course, clubhouse, community center, park, and four distinct housing neighborhoods are just a few examples of major housing investments that will also add greatly to the quality of life of the community. Despite national trends, new home construction growth increases steadily in the County. Area homebuilders have made application for subdivision plats and building permits in large numbers. These plats include single family and townhouse developments. Single-family and townhouse building permits in FY 2003 increased more than 5 % over the previous year. Commercial plan reviews increased 27 %.

The activity level for retail and commercial development is ongoing with much growth along the major transportation thoroughfares of Washington Road, Belair Road, Interstate 20 intersections, and Furrys Ferry Road. The Columbia County Chamber of Commerce was initiated in June 2003 and has made quite an effort to gain a wide membership. Its executive director has dynamic ideas and is working well with the County government. Plans for a large retail shopping center have been announced, and emphasis is being put into developing high-end retail in the Evans Town Center. As of August 2003, the County had issued 3,957 business licenses – an increase of 420 from the previous year.

A significant medical corridor is developing in the area with University Hospital building a three story medical facility and numerous doctors' offices opening to alleviate the necessity of traveling to downtown Augusta for medical and dental services. Many of these professionals live in the County and contribute greatly to the quality of life in the County by working as volunteer coaches and serving on various boards and authorities.

Through the use of SPLOST (Special Purpose Local Option Sales Tax) funds and in conjunction with a public/private partnership, the County built a one-mile connector road in the County's new industrial park – Horizon North – a 260-acre park located north of Interstate 20 at the Lewiston Road interchange. The current industrial park – Horizon South – has reached current capacity, but the Columbia County Development Authority is working diligently with neighboring property owners to obtain additional property to the current park. This is very attractive to several of the industries currently in Horizon South who are interested in expansion.

Another area of strength is the new Economic Development Executive Director who began working in the spring. This is the first time one individual has been able to concentrate solely on economic development for Columbia County, and the necessary groundwork is being laid as the County anticipates being on the crest of tremendous economic growth in the near future.

In a branding study performed in early 2003, it was abundantly apparent that the citizens of Columbia County are proud to call it home. The quality of life draws people from near and far, and the voters echo the Board's desire and vision for controlled, quality growth. Our citizens are most discriminating and value the natural beauty of our area and its strong, fiscally responsible government. Long-range planning and the continuation of the SPLOST program are essential to this growth. The renewal of the SPLOST program will be on the ballot in 2004.

MAJOR CURRENT YEAR INITIATIVES

Budget. For the fifth consecutive year, the Board of Commission passed a budget without raising the millage rate. The goal is to illustrate great fiscal responsibility while maintaining and expanding programs and services.

1% Special Purpose Local Option Sales Tax (SPLOST). In July 2000, the citizens renewed the SPLOST program for five years to raise not more than \$70,014,000 for transportation, public buildings, recreation, and intergovernmental projects. The referendum was supported by 76% of the voters. This year, Building C was finished on schedule and within budget, and nine roads were paved with construction beginning on eleven other dirt roads. An intersection improvement at a major industrial site off Evans-to-Locks Road will benefit a large addition to the facility. The remaining SPLOST projects to be completed are the new library and transportation projects.

Justice Center. Proceeds from General Obligation Bonds funded the Justice Center that was completed in August 2002 with U.S. Supreme Court Justice Anthony M. Kennedy presiding at the dedication in November 2002. The three courtrooms in this new building have been used almost daily, and the Probate, Magistrate, Juvenile, and Supreme Court Judges, District Attorney, and District Court Administrator have adequate space to perform their functions. This facility has greatly improved the services and convenience for the citizens of the County.

Recreation Master Plan. A ten-year recreation master plan was accepted by the Board of Commissioners in October 2002 and has already been influential in determining the type and location of land for large recreation areas in the future. One 150-acre park was purchased in 2003 using SPLOST funds. Prioritization of recreation projects is being done to ensure that additional facilities provide the spectrum of activities desired by County citizens. The County's recreational facilities are currently being used to their maximum. Public/private partnerships are being explored to provide programs and facilities in the most cost-effective capacity.

Construction at Wildwood Park and the Canal Headgates near the Savannah Rapids Pavilion (SRP) will offer both passive and active recreation uses. A new large picnic pavilion suitable for family reunions, new boat ramps, docks, and enlarged parking will bring in economic benefits with bass fishing tournaments as well as casual recreation for many at Wildwood Park. Reconstruction of the Gatekeepers Cottage, the Dance Pavilion, Dining Hall, and BBQ Pit will be main attractions for the Petersburg boats that will be going up and down the Augusta Canal joining the SRP and the City of Augusta.

GASB 34 Implementation. In June 1999, the Governmental Accounting Standards Board issued Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis for State and Local Governments*. In an effort to make annual reports more comprehensive and easier to understand, information about the total cost of providing services and the government’s infrastructure assets will be included as required by GASB 34. The County successfully implemented GASB 34 for fiscal year ended June 30, 2003.

Library. One of the major “selling points” of the 2000 SPLOST referendum was the goal of building a new main public library and performing arts center to be located behind the Justice Center. The final plans for this facility were completed, and the groundbreaking was this summer. The Memorial Garden will be located next to the library and will be the site for many community activities and outdoor concerts. A lighted walking track, natural amphitheater, lighted stage, and pond with a foundation will be featured. Pictures in a monthly newsletter to citizens will keep the community informed of the “growth” of this learning and living center.

Building C. A new administration building was completed on the Evans Government Center campus and houses the Tax Assessor, Tax Commissioner, Finance, and Information Technology. Bringing the Tax Assessor and Tax Commissioner from Appling will provide the citizens of Columbia County with “one-stop shopping” for their government needs, which has long been a customer service goal.

MAJOR FUTURE INITIATIVES

Fire Services. Public safety is the first responsibility of local government. Our award-winning Sheriff’s Office is highly respected, and its community-based policing is most effective. Fire prevention, on the other hand, is privately provided and funded by subscriptions. Based on recommendations received from a fire study performed in 2003, the Board has decided to fund fire services through taxation and to contract with existing fire departments to provide the services effective January 2004. This will enable the fire departments to collect all the funding from their districts and will allow the County to purchase equipment and provide training.

Transportation. Georgia DOT funding is more limited each year, but they recognize the rapid growth of the area and try to improve the major transportation corridors as much as possible. A turn lane was added to a section of Washington Road with more improvements ready for funding and implementation. A county-wide transportation study was completed in 2003, and all facets of the County (Planning, Engineering, and Construction & Maintenance) are prioritizing and coordinating efforts in this important endeavor.

Water. The Water and Sewerage Department is in the process of developing a 5-year capital improvement plan that will include improvements to the water distribution, sewage collection, and maintenance facilities. Once the plan is completed and accepted by the Board, an anticipated revenue bond may be issued in the Fall of 2004 to finance these improvements.

Marketing Studies. The County contracted with a firm to perform a marketing study and branding strategy for both the County and the Sheriff's Department in an effort to ensure that we are putting "our best foot forward" for economic development and recruiting. The results indicated that the citizens are rightfully proud of Columbia County and appreciate its quality of life. The search for a new or improved logo is still ongoing, but this marketing effort has been a unifying force with the Columbia County Chamber of Commerce, the Development Authority, and the County.

In 2003, a study was done on the commercial area of Martinez and the need to revitalize the area with a mixed-use development plan. Recommendations from this study can be reached over the next few years as the County and the businesses work cooperatively.

INTERNAL CONTROLS

Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control process is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As part of the County's annual single audit, required in conformity with provisions of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, tests are made to determine the adequacy of the internal control structure including that portion relating to federal financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations. The single audit for the year ended June 30, 2003, disclosed no material internal control weaknesses or material violations of laws and regulations.

BUDGETARY CONTROLS

The County is required to adopt a balanced budget each year and maintain budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Commissioners. Activities of the General Fund, Special Revenue Funds, and Debt Service Fund are included in the annual appropriated budget. Project-length plans are adopted for the Capital Projects Funds. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed appropriations) is the departmental level within each fund. The County Administrator may authorize transfers of appropriations within departments (except salary line

items). Transfers of appropriations from one department to another or from one fund to another require approval of the Board of Commissioners.

The County maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, outstanding encumbrances generally are re-appropriated as part of the following year's budget. A detailed explanation of the County's budget procedures can be found in the notes to the financial statements.

DEBT ADMINISTRATION

Columbia County continues to maintain strong bond ratings with the major credit rating services. In May 2001, the County prepared comprehensive presentations for Fitch IBCA, Standard & Poor's, and Moody's Investor Service rating agencies in an effort to upgrade the current uninsured ratings applied to the County's water and sewerage revenue bonds and general obligation bonds. The County received notification from Fitch IBCA that the County's water and sewerage revenue bonds rating was upgraded from A+ to AA-. Moody's and Standard & Poor's issued ratings of Aa3 and A, respectively, to the water and sewerage bonds. Fitch maintained the rating of AA- on the County's general obligation bonds, while Moody's and Standard & Poor's upgraded the ratings from A1 to Aa3 and from A+ to AA-, respectively. The County will continue to follow prudent fiscal policies and practices in order to maintain its strong credit rating.

CASH MANAGEMENT

While any investment instrument or decision carries certain elements of risk, numerous safeguards are available to minimize the risk while generating a market rate of return. Columbia County seeks to obtain market rates of return on its investments consistent with constraints imposed by its safety objectives, cash flow considerations, and Georgia state laws. Safety of principal is the foremost objective. Each investment transaction shall first seek to ensure that capital losses are avoided, whether they be from defaults or erosion of market value.

Idle funds are invested primarily in obligations of the State of Georgia and other states; obligations issued, fully insured, or guaranteed by the United States; collateralized certificates of deposit; and repurchase agreements. The County strives to maximize investment income while minimizing risk and maintaining liquidity sufficient to cover cash operating requirements. The County utilizes various forms of investment instruments to avoid incurring unreasonable risks inherent in the lack of diversification in specific instruments, individual financial institutions, or maturities. Investment maturities are scheduled to coincide with projected cash flow needs, taking into account large routine scheduled expenditures, as well as considering unanticipated revenues and expenditures.

Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it

always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

RISK MANAGEMENT

The purpose of the Columbia County risk management program is to minimize the financial burden incurred by the County as a result of work-related injuries, loss of County property, and damages which may be incurred by third parties. The County has elected to utilize coverages provided by the Association County Commissioners of Georgia Interlocal Risk Management Agency (ACCG-IRMA) and the Association County Commissioners of Georgia Group Self-Insured Workers' Compensation Fund (ACCG-GSIWCF). The County continues to maintain self-insured retention levels of in the ACCG-IRMA and ACCG-GSIWCF programs, respectively. An Internal Service Fund is used to account for costs associated with risk management, with the exception of workers' compensation, which continues to be accounted for within the General Fund. Reserves are being accumulated in both funds to meet potential losses. As reserves increase, retention levels may be increased, reducing the annual cost of coverage.

Management remains committed to a safe working environment. Employee education and training enhance and supplement ongoing efforts to maintain a safe and healthy environment for all County employees. Training classes, such as CPR and first aid, defensive driving, self defense, workplace violence, and office ergonomics, are made available for all County employees.

Augmenting the Workers' Compensation and Employee Health Plans, the County has several cost reduction agreements with University Hospital including a Preferred Provider Agreement, a Health Link Agreement with physicians, and an Occupational Health Agreement. The County also has a service agreement with University Behavioral Health Services, which provides an Employee Assistance Program. Enhancements are continually being made to the preferred provider network, and the County will continue to negotiate lower fees with providers and to evaluate provider services and treatment plans.

INDEPENDENT AUDIT

The Code of Ordinances of Columbia County and the Official Code of Georgia require an annual independent audit of the County's financial records by a certified public accounting firm. The accounting firm of Elliott Davis, LLC was selected by the Management and Financial Services Committee and approved by the Board of Commissioners in May 2003 as independent auditors for fiscal years ending June 30, 2003 and 2004. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The auditors' report on the basic financial statements is included in the financial section of this report.

The auditors' reports on internal controls and compliance with applicable laws and regulations are included in the single audit section of this report.

AWARDS

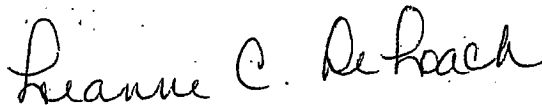
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Columbia County, Georgia, for its comprehensive annual financial report for the fiscal year ended June 30, 2002. This was the fifth consecutive year that the County achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the support and cooperation of elected officials, County administration, other County departments, external auditors, and the efficient, dedicated efforts of the entire staff of the Finance Department. Credit must be given to the County Administrator and the Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of Columbia County's finances.

Respectfully submitted,

A handwritten signature in cursive script that reads "Leanne C. DeLoach".

Leanne C. DeLoach, CPA
Director of Financial Services

COLUMBIA COUNTY, GEORGIA
PRINCIPAL OFFICIALS
June 30, 2003

ELECTED OFFICIALS

BOARD OF COMMISSIONERS

Ron C. Cross, Chairman
Thomas W. Mercer, Jr., Vice Chairman, District 2

District 1
District 3
District 4

Stephen W. Brown, Jr.
Diane H. Ford
Lee Anderson

CONSTITUTIONAL OFFICERS

Tax Commissioner
Clerk of Court
Magistrate Court Judge
Probate Court Judge
Sheriff
Coroner

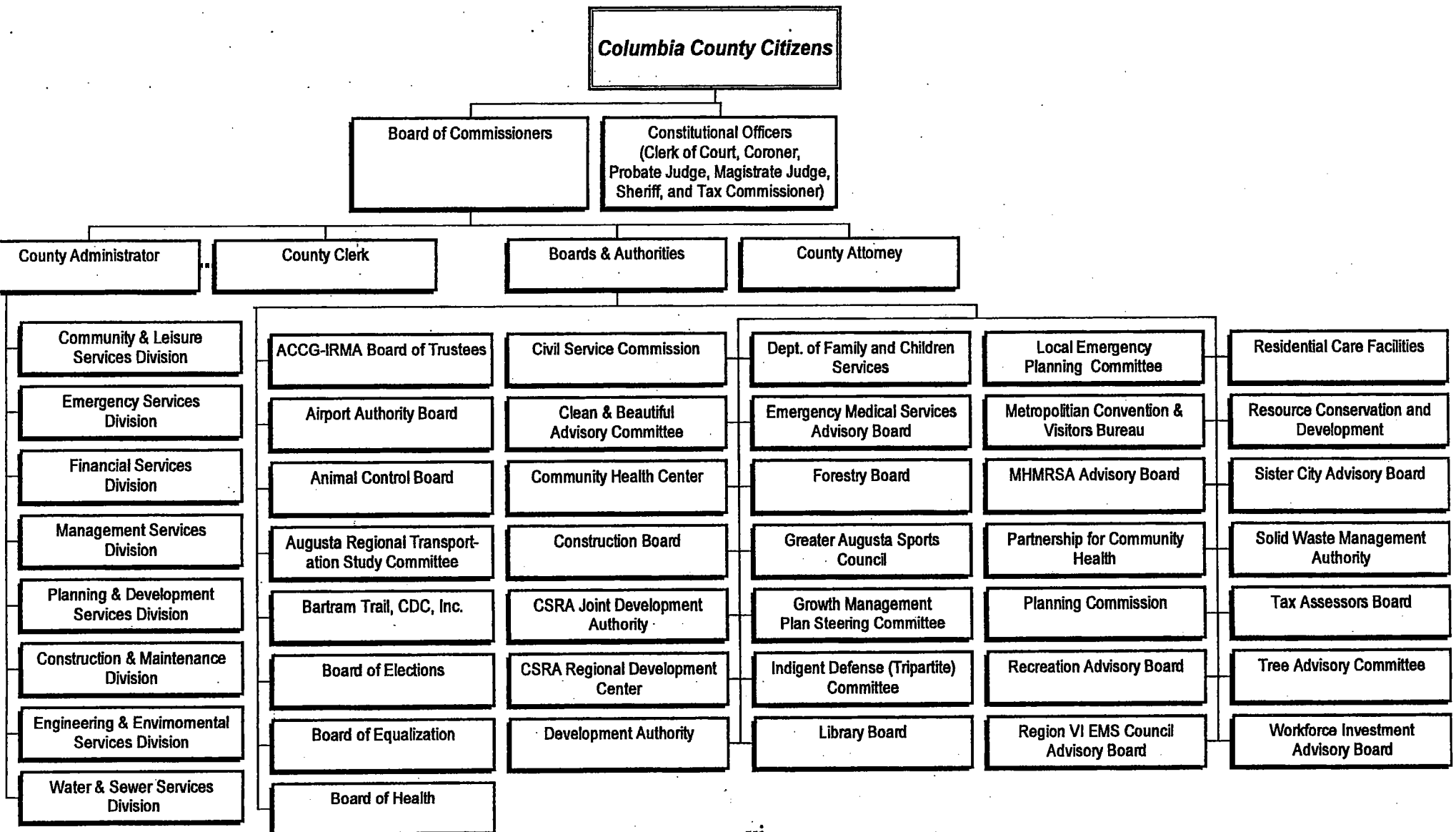
Kay Allen
Cindy Mason
David Huguenin
Pat Hardaway
Clay Whittle
Tommy King

APPOINTED OFFICIALS

County Administrator
Director of Financial Services
Director of Engineering and Environmental Services
Director of Community and Leisure Services
Director of Planning and Development Services
Director of Water and Sewerage Services
Director of Construction and Maintenance Services
Director of Emergency Services
County Clerk
County Attorney

Steve Szablewski
Leanne C. DeLoach
James Leiper
Barry Smith
Jeff Browning
William C. Clayton
Kevin Lear
Pamela P. Tucker
Phebe J. Dent
Douglas D. Batchelor, Jr.

Columbia County Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Columbia County,
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

Financial

Section



Elliott Davis, LLC
Advisors-CPAs-Consultants

One 10th Street, Suite 460
P.O. Box 2278
Augusta, GA 30903-2278

Phone 706.722.9090
Fax 706.722.9092

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Commissioners
Columbia County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of *Columbia County, Georgia* (the "County") as of and for the year ended June 30, 2003, which collectively comprise the basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the County as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 14, 2003, on our consideration of internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, grants and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

As discussed in Note 1 to the basic financial statements, the County adopted the provisions of Governmental Accounting Standards Board Statements No. 34, 35, 37 and 38, effective July 1, 2002.

Management's Discussion and Analysis on pages 4 through 16 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Columbia County, Georgia's basic financial statements. The combining and individual fund statements and schedules described in the accompanying table of contents and the Schedule of Expenditures of Federal Awards as required by US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and statistical tables and data listed in the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for the statistical tables and data listed in the Statistical Section, has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical tables and data listed in the Statistical Section have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Elliott Davis, LLC

Augusta, Georgia
November 14, 2003

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion & Analysis

The Management's Discussion and Analysis of the Comprehensive Annual Financial Report (CAFR) of Columbia County, Georgia (the Government) provides an overall narrative and analysis of the Government's financial statements for the fiscal year ended June 30, 2003. This discussion and analysis is designed to look at the Government's financial performance as a whole. Readers should also review the additional information provided in the transmittal letter, which can be found preceding this narrative, and the complete financial statements, with notes, which follow this narrative, to enhance their understanding of the Government's financial performance.

Financial Highlights

Key financial highlights for the year ended June 30, 2003 are as follows:

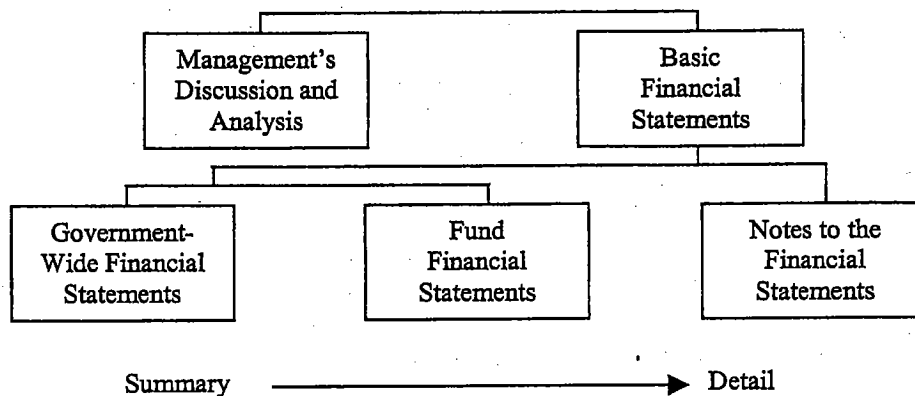
- The Government's combined net assets totaled \$205.4 million.
- The Government's total net assets increased by \$13.3 million, primarily due to increased revenue from special purpose local option sales tax.
- As of the close of the current fiscal year, the Government's governmental funds reported combined ending fund balances of \$41.6 million, an increase of \$4.4 million from the prior year. Approximately 86% of this total amount, or \$36 million, is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$14.3 million, or 41% of total General Fund expenditures for the fiscal year. Of this amount, \$10.7 million has been designated for other purposes, leaving \$3.6 million, or 10% of total General Fund expenditures, as undesignated.
- Combined Revenue totaled \$83.4 million of which governmental activities totaled \$54.9 million and business-type activities totaled \$28.5 million.
- Overall expenses totaled \$70.1 million of which governmental activities totaled \$42.6 million and business-type activities totaled \$27.5 million.
- Expenses of governmental activities exceeded program revenue, resulting in the use of \$33 million in general revenues (mostly taxes).
- Total Outstanding Long-Term Debt, excluding compensated absences, decreased approximately \$4.5 million due to the continuing reduction in outstanding principal on existing debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Government's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Government through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Government.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Government's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of Columbia County, Georgia's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Government's non-major governmental funds and internal service funds, all of which are added together in one column on the appropriate basic financial statements.

Government-wide Financial Statements

The Government-wide financial statements provide a broad view of the Government's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Government's financial position, which assists in assessing the economic condition at the end of the fiscal year. These statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. This means the statements take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. The government-wide financial statements include the following two statements:

The **Statement of Net Assets** presents information on all of the Government's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Government is improving or deteriorating.

The **Statement of Activities** presents information showing how the Government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). This statement also presents a comparison between direct expense and program revenues for each function of the Government.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities and 3) component units. The governmental activities include most of the Government's basic services such as general administration, judicial services, public safety, public works, health and welfare, culture and recreation, and housing and development. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those services that the Government charges a fee to customers in order to provide. These include waste management, water and sewer, and storm water. The final category is component units. The Development Authority of Columbia County serves to promote, pursue and implement economic development in the county. The Columbia County Board of Health is a public health department. Although legally separate from the Government, the Government appoints a voting majority of the boards for the Development Authority and the Board of Health.

Fund Financial Statements

A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the Government, reporting the Government's operations in more detail than the government-wide statements. All of the funds of the Government can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. These fund categories use different accounting approaches and should be interpreted differently.

Governmental Funds

Most of the basic services provided by the Government are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as government activities in the government-wide financial statements. However, unlike the government-wide statements, these funds focus on how assets can readily be converted into cash and the amount of funds left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which focuses on current financial resources. Such information may be useful in evaluating the government's short-term financing requirements. These statements provide a detailed short-term view of the Government's finances that assists in determining whether there will be adequate financial resources available to meet the Government's current needs. The relationship between government activities in the government-wide financial statements and the governmental funds financial statements is described in a reconciliation that is a part of the fund financial statements.

The Government has four governmental fund types: the General Fund, Special Revenue Funds, Debt Service Fund and the Capital Projects Funds. Only two individual funds are being considered major funds – the General Fund and the 2001-2005 Special Purposes Local Option Sales Tax Fund (SPLOST).

Proprietary Funds

The Government has two types of proprietary funds used to account for activities that operate similar to commercial enterprises found in the private sector. Funds that charge fees for services provided to outside customers including other local governments are known as Enterprise Funds. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Funds that charge fees for services provided to departments within the reporting government are known as Internal Service Funds. Proprietary funds use the accrual basis of accounting, thus there is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

The Government has four enterprise funds: Water and Sewerage Fund, Solid Waste Authority Fund, Solid Waste Management Fund and the Storm Water Utility Fund. The Government has two internal service funds: Employee Medical Fund and Risk Management Fund. The Water and Sewerage Fund, Solid Waste Authority Fund and Solid Waste Management Fund are the only funds being considered major funds for presentation purposes.

Fiduciary Funds

The Fiduciary Funds are used to account for assets held by the Government as an agent for individuals, private organizations, other governments and other Columbia County departments. The Government is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These funds are not reflected in the government-wide financial statements because the resources are not available to support the Government's operations or programs.

Government-wide Financial Analysis

Due to mandated changes from the Governmental Accounting Standards Board (GASB), the government-wide financial statements for the year ended June 30, 2003, are the beginning of a new era in financial reporting for the Government, and many other units of government across the United States. Prior to this year, the Government maintained governmental, proprietary, and fiduciary fund groups as separate and very distinct types of accounting without any type of consolidated statement that reflected the operations and net assets of the Government as a whole. A total column appeared on the financial statements, but it was a memorandum total only. No attempt was made to adjust the statements in such a way that the total column would represent the overall financial condition of the Government. These statements were basically the equivalent of the fund financial statements that appear in this report with the exception that two account groups, the long-term debt and the general fixed assets, were included.

Because of the new reporting model, comparative data for all facets of this report are not available. When comparative numbers are accessible, they have been included, such as with outstanding debt. Future years' reports will have more comparative data that will allow more opportunities for comparative analysis.

The Government's Net Assets June 30, 2003

Figure 2

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$45,790,681	\$47,363,874	\$93,154,555
Capital assets	99,389,399	120,940,250	220,329,649
Total assets	145,180,080	168,304,124	313,484,204
Long-term liabilities outstanding	29,259,783	71,563,092	100,822,875
Other liabilities	4,862,494	2,406,895	7,269,389
Total liabilities	34,122,277	73,969,987	108,092,264
Net assets:			
Invested in capital assets, net of related debt	71,494,399	68,365,327	139,859,726
Restricted	715,729	7,998,301	8,714,030
Unrestricted	38,847,675	17,970,509	56,818,184
Total net assets	\$111,057,803	\$94,334,137	\$205,391,940

Net Assets

Net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Government exceeded liabilities by \$205.4 million as of June 30, 2003.

The largest portion of the Government's net assets, \$139.9 million or 68%, reflects its investment in capital assets such as land, buildings, equipment and infrastructure (road, bridges, sidewalks, water lines and sewer lines) less any related debt used to acquire those assets that is still outstanding. The Government uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. Although the Government's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Government's net assets, \$8.7 million or 4%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$56.8 million or 28%, may be used to meet the Government's ongoing obligations to citizens and creditors.

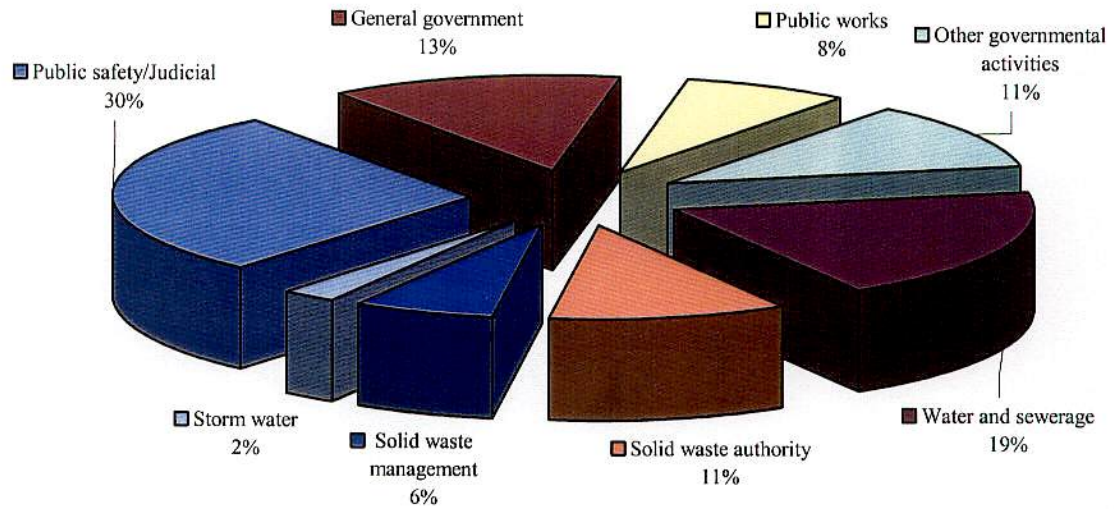
Several particular aspects of the Government's financial operations positively influenced the total *unrestricted governmental net assets*:

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 99% for real and personal property.
- Continued low cost of debt due to the County's high bond rating.
- Continued diligence in the maintenance of a 75 – 90 day unreserved fund balance designated for operations in the General Fund.

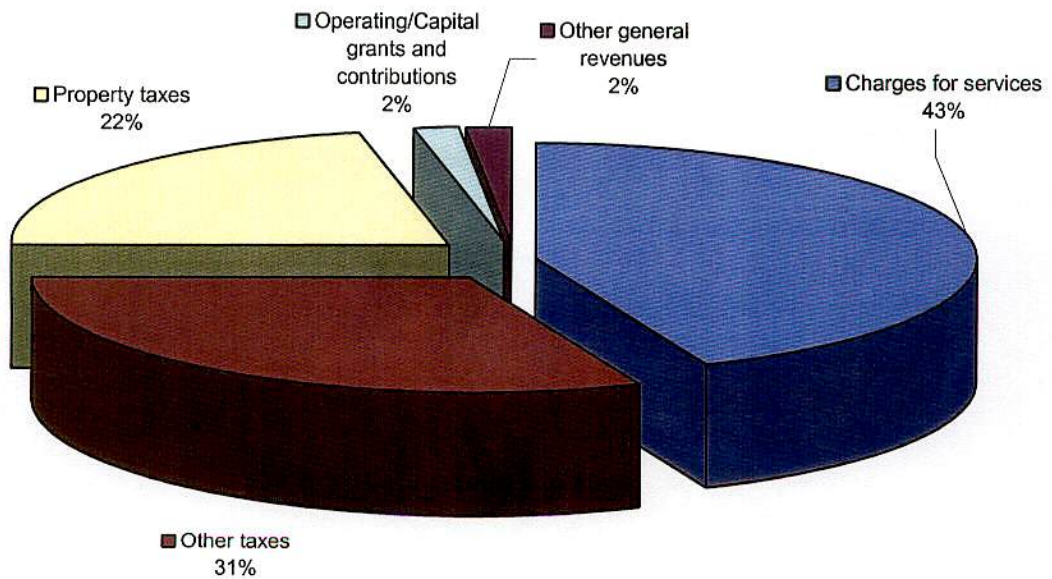
**The Government Changes in Net Assets
For the Year Ended June 30, 2003
Figure 3**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for services	\$ 8,271,016	\$ 28,122,405	\$ 36,393,421
Operating grants and contributions	395,277	-	395,277
Capital grants and contributions	901,989	71,838	973,827
General revenues:			
Property taxes	18,156,702	-	18,156,702
Other taxes	25,975,970	-	25,975,970
Unrestricted investment earnings	686,170	286,586	972,756
Gain on sale of assets	78,949	6,850	85,799
Miscellaneous	439,346	-	439,346
Total revenues	<u>54,905,419</u>	<u>28,487,679</u>	<u>83,393,098</u>
Expenses:			
General government	9,160,130	-	9,160,130
Judicial system	3,099,467	-	3,099,467
Public safety	17,039,958	-	17,039,958
Public works	5,258,183	-	5,258,183
Health and welfare	1,097,913	-	1,097,913
Culture and recreation	2,979,531	-	2,979,531
Housing and development	2,458,672	-	2,458,672
Interest on long-term debt	1,476,859	-	1,476,859
Water and sewer	-	13,650,616	13,650,616
Storm water	-	1,684,876	1,684,876
Solid waste management	-	4,537,644	4,537,644
Solid waste authority	-	7,617,211	7,617,211
Total expenses	<u>42,570,713</u>	<u>27,490,347</u>	<u>70,061,060</u>
 Increase in net assets	 12,334,706	 997,332	 13,332,038
 Net assets, July 1	 <u>98,723,097</u>	 <u>93,336,805</u>	 <u>192,059,902</u>
 Net assets, June 30	 <u>\$ 111,057,803</u>	 <u>\$ 94,334,137</u>	 <u>\$ 205,391,940</u>

Government-Wide Expenses



Government-Wide Revenues



Changes in Net Assets

Governmental activities. Governmental activities increased the Government's net assets by \$12.3 million, and thereby accounting for 92% of the total growth in the net assets of the Government. Key elements of this increase are as follows:

Governmental Revenues. Property tax and other taxes continue as the main source of revenue for governmental activities of the Government amounting to 80% for the year ended June 30, 2003. Sales tax revenues contributed approximately \$9 million to the increase in net assets.

Governmental Functional Expenses: As reflected in the summary of Changes in Net Assets, the Government expended 47 % of the governmental appropriations for judicial and public safety expenditures. The Government continues to commit substantial financial resources for the safety of its citizens.

Business-type activities: Business-type activities increased the Government's net assets by approximately \$1 million accounting for 8% of the total growth in the government's net assets. Key elements of this increase are as follows:

- The Water and Sewerage Fund reported an increase in net assets of \$4.6 million due to continued operating efficiency of the fund. Although the demand for water was lower than in previous years due to an unseasonably wet summer, management was able to control operating costs in connection with establishing rates sufficient to ensure an increase in net assets.
- The Solid Waste Authority Fund reported a decrease in net assets of \$4.3 million. This decrease was due to an increase in the estimated liability for landfill closure and postclosure costs of \$5.2 million based on information received from the Georgia Environmental Protection Division.
- The Solid Waste Management Fund reported a decrease in net assets of \$346,652. This decrease was due to reduced usage of the landfill.

Financial Analysis of the Government's Individual Funds

Columbia County uses fund accounting to demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Government's governmental funds is to provide information on near-term inflows, outflows and balances of usable resources. Such information is useful in assessing the Government's financial requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The combined fund balance of all the governmental funds is \$41.6 million, of which \$36 million, or 86%, is unreserved.

General Fund

The General Fund is the primary operating fund of the Government. At the end of the current fiscal year, total fund balance of the General Fund was \$14.8 million, of which \$14.3 million, or 96%, was unreserved. A portion of the unreserved fund balance in the General Fund is designated for operations and extraordinary losses, in the amounts of \$9.7 million and \$1 million, respectively, as required by financial management policies of the Government. As a measure of the General Fund's liquidity, it may be useful to compare both undesignated and designated fund balance to total fund expenditures. As of June 30, 2003, total unreserved fund balance, both undesignated and designated, represents 41% of total general fund

expenditures.

The fund balance of the General Fund increased \$1.9 million (14%) as the Board of Commissioners makes a collaborative effort to improve the reserve of the Government. Key factors to this increase are as follows:

- ♦ Total revenue exceeded prior year revenue by \$3.2 million primarily due to the increase of \$1.69 million in taxes. This increase includes additional sales tax revenues of \$709,722, additional recording intangibles taxes of \$260,045, and additional motor vehicle taxes of \$291,896.
- ♦ Intergovernmental revenues increased \$976,746, primarily due to services performed by Roads & Bridges for the Storm Water Utility.

General Fund Budgetary Highlights

During the year ended June 30, 2003, the Government's financial picture remains impressive. The fiscal year 2003 budget was balanced with no millage rate increase and no reduction in services provided to the citizens.

During the year, the Government revised the budget on several occasions. Generally, budget amendments fall into one of five categories: 1) amendments to appropriate fund balance for encumbrances from the prior year; 2) amendments made to adjust the estimates that are used to prepare the original budget resolution once exact information is available; 3) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; 4) increases in appropriations that become necessary to maintain services; and 5) amendments to transfer appropriations between departments. The fifth category has no effect on the final budget and, therefore, is not addressed in this narrative. For example, included in the original budget for the general government function was a contingency in the amount of approximately \$1 million. During the year, the Government transferred these funds to other functions as needed. Total amendments to the General Fund increased expenditures and revenues/other financing sources by only \$155,000 or <0.5%, an immaterial amount.

The actual operating revenues for the General Fund were more than the budgeted amount by \$318,482, or <1%. The individual sources within the revenues fluctuated both positively and negatively. No individual source materially varied from the final budget, except for *other revenues*. In order to balance revenues with expenditures, the Government budgeted as a revenue \$1.25 million of fund balance to be used for capital expenditures.

As a result of superior budget management by all departments of the Government, actual operating expenditures were less than the budgeted amount by \$1.7 million. For the year, actual revenue and other financing sources exceeded actual expenditures and other financing uses by \$1.9 million.

Capital Projects Funds

The Government uses Capital Projects Funds to account for the acquisition and construction of major capital facilities that are not financed by Proprietary Funds. A major fund included in the fund financial statements is the 2001-2005 SPLOST Fund. The proceeds of the special purpose 1% sales tax are accounted for in this Capital Projects Fund until improvement projects are completed. The SPLOST Fund's fund balance is \$15.5 million, all of which is held for specific construction and improvement projects and capital acquisitions. The increase in fund balance is due to the timing of the collection of revenues as compared to project expenditures.

Proprietary Funds

The activities of the Government that render services to the general public on a user charge basis, or that require periodic determination of revenues for public policy are accounted for as Enterprise Funds. The Government's proprietary funds provide the same type of information found in the government-wide

statements but in more detail. Unrestricted net assets at the end of the year were as follows: Water and Sewerage Fund, \$16.6 million; Solid Waste Authority Fund, \$376,255; Solid Waste Management Fund, (\$465,823); Storm Water Utility Fund, \$955,801. The total growth (reduction) in net assets for previously mentioned funds were \$4.6 million, (\$4.3 million), (\$346,652), and \$556,470, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the Government's business-type activities.

Capital Assets and Debt Administration

Capital Assets

The Government's investment in capital assets for its governmental and business-type activities as of June 30, 2003 amounts to \$220.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the Government, such as roads, bridges, streets and sidewalks, drainage systems and other similar items.

Major capital asset transactions during the year include:

- Construction of \$2.9 million of infrastructure and other public works projects.
- Addition of water and sewer systems of \$7.6 million.

Additional information on the Government's capital assets can be found in Note 6 of the notes to the financial statements of this report.

**The Government's Capital Assets
(net of depreciation)
June 30, 2003**

Figure 4

	Governmental Activities	Business-type Activities	Total
Land	\$ 25,049,103	\$ 762,523	\$ 25,811,626
Buildings	45,784,769	3,201,037	48,985,806
Improvements other than buildings	2,469,631	-	2,469,631
Utility plant and distribution systems	-	63,316,521	63,316,521
Donated subdivision	-	32,791,094	32,791,094
Storm water systems	-	3,109,206	3,109,206
Infrastructure	18,276,066	-	18,276,066
Vehicles, machinery and equipment	2,898,825	2,539,718	5,438,543
Construction in progress	4,911,005	15,220,151	20,131,156
Total	<u>\$ 99,389,399</u>	<u>\$ 120,940,250</u>	<u>\$ 220,329,649</u>

Long-Term Debt

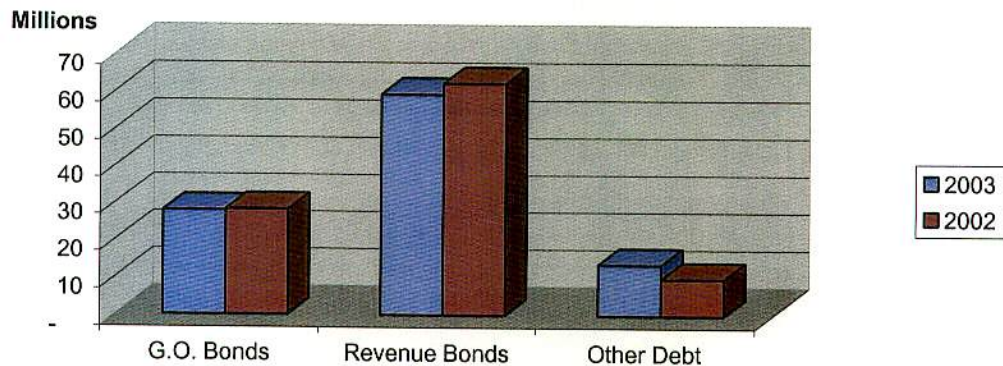
As of June 30, 2003, the Government had a total of \$100.8 million in outstanding long-term debt. Of this amount, \$27.9 million consists of general obligation debt backed by the full faith and credit of the

government and \$59.3 million consists of revenue bonds backed by the revenues of the water and sewer system and the landfill. The Government retired \$3.2 million of outstanding bonds during the year ended June 30, 2003. There were no general obligation or revenue bonds issued during fiscal year 2003.

**The Government's Outstanding Debt
General Obligation and Revenue Bonds
June 30, 2003 and 2002**

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
General obligation bonds	\$ 27,895,000	\$ 28,245,000	\$ -	\$ -	\$ 27,895,000	\$ 28,245,000
Revenue bonds	-	-	59,267,408	62,163,821	59,267,408	62,163,821
Other debt	1,364,783	2,341,950	12,295,684	7,510,708	13,660,467	9,852,658
Total debt	\$ 29,259,783	\$ 30,586,950	\$ 71,563,092	\$ 69,674,529	\$ 100,822,875	\$ 100,261,479



The Government has maintained a bond rating of AA- from Fitch IBCA and Standard & Poor's Rating Group and Aa3 from Moody's Investor Service. These bond ratings are clear indications of the sound financial condition of the Government. These high ratings are a primary factor in keeping interest costs low on the Government's outstanding debt.

The State of Georgia limits the amount of general obligation debt that a unit of government can issue to 10 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Government is \$198 million.

Additional information regarding the Government's long-term debt can be found in Note 7 of the notes to the financial statements of this report.

Economic Factors

The Board of Commissioners have continued to aggressively address the current and future needs of the Government by focusing on sound financial management, the reserve policy, the use of current resources for capital expenditures and the development of capital improvement plans. With a growing, diverse population, the challenge is to continue to improve the quality of life by concentrating on the demands

placed on the public infrastructure such as transportation, water supply, wastewater treatment, the demands of revitalization of many business areas and the demands of greenspace conservation. Although the nation and surrounding counties are facing financial difficulties, Columbia County is able to maintain low property tax rates and low debt levels and has increased the reserves so that we can remain a leader and provide the best place to live, work and play.

Budget Highlights for the Fiscal Year Ending June 30, 2004

With the rapid growth in the County and a continual desire to improve services, passing a balanced budget with an adequate contingency without raising the millage rate for the fifth consecutive year is a triumph for the Government. Because of the fiscal responsibility by the Board of Commission in the past, the Government is able to weather tight financial times while seeking to provide services as cost-effectively as possible.

The County's goals for 2004 start with the continuation of fiscal responsibility and researching and initiating needed long-term projects. This year, we will develop and pursue a capital improvement plan (CIP), long-range transportation study, fire services study, and economic development plan to fund Evans Town Center development and re-development in the Martinez commercial area.

Public safety is the primary mission of any county government and comprises approximately \$17 million, or 42%, of the County's fiscal year (FY) 2003/2004 budget. Improvements for the Sheriff's Office and the fire departments are a continual priority. During the next year, great emphasis will be on establishing a list of needed capital improvements for the County in the next five to ten years. These projects will be prioritized and will be the foundation for the next SPLOST program which will begin in 2006 if renewed by the citizens of Columbia County.

Below are additional budget highlights of the General Fund:

- | | |
|---|-------------|
| • Economic development | \$ 953,896 |
| • 2% Contingency | \$ 843,299 |
| • 26 new positions in various
County departments and other
promotions and reclassifications | \$ 923,496 |
| • Merit/benefit increases | \$ 555,188 |
| • Capital equipment | \$1,914,741 |

Requests for Information

This report is designed to provide an overview of the Government's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Columbia County, Georgia, 630 Washington West Drive, Evans, Georgia 30809.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Columbia County, Georgia

Statement of Net Assets

June 30, 2003

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	Development Authority of Columbia County	Columbia County Board of Health
Assets					
Cash and cash equivalents	\$ 30,961,513	\$ 8,631,911	\$ 39,593,424	\$ 61,501	\$ 183,493
Investments	8,686,772	15,759,697	24,446,469	-	-
Taxes receivable	408,546	-	408,546	-	-
Accounts receivable	276,282	2,911,044	3,187,326	215,944	46,375
Intergovernmental receivable	3,583,123	-	3,583,123	-	-
Internal balances	1,112,153	(1,112,153)	-	-	-
Inventories	26,142	513,743	539,885	-	-
Prepaid items	116,162	29,280	145,442	252	-
Deferred charges	-	1,166,752	1,166,752	-	-
Due from fiduciary funds	563,988	-	563,988	-	-
Due from component units	56,000	-	56,000	-	-
Capital assets:					
Land and construction in progress	29,960,108	15,982,674	45,942,782	489,194	-
Other capital assets, net of accumulated depreciation	69,429,291	104,957,576	174,386,867	1,969,813	79,183
Restricted assets:					
Restricted cash	-	17,484,533	17,484,533	-	-
Restricted investments	-	1,979,067	1,979,067	-	-
Total assets	145,180,080	168,304,124	313,484,204	2,736,704	309,051
Liabilities					
Accounts payable	2,519,108	1,838,123	4,357,231	5,000	6,891
Accrued payroll	1,053,887	170,902	1,224,789	-	-
Unearned revenue	679,269	-	679,269	-	-
Accrued interest payable	610,230	340,424	950,654	4,604	-
Due to primary government	-	-	-	56,000	-
Customer deposits	-	57,446	57,446	-	-
Long-term liabilities:					
Liabilities due within one year	1,558,000	4,315,080	5,873,080	550,000	85,675
Liabilities due in greater than one year	27,701,783	67,248,012	94,949,795	3,895,000	-
Total liabilities	34,122,277	73,969,987	108,092,264	4,510,604	92,566
Net assets					
Invested in capital assets, net of related debt	71,494,399	68,365,327	139,859,726	(1,892,070)	79,183
Restricted for debt service	715,729	7,998,301	8,714,030	-	-
Unrestricted	38,847,675	17,970,509	56,818,184	118,170	137,302
Total net assets	\$ 111,057,803	\$ 94,334,137	\$ 205,391,940	\$ (1,773,900)	\$ 216,485

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia
Statement of Activities
For the Year Ended June 30, 2003

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	\$ 9,160,130	\$ 1,819,522	\$ 12,579
Judicial system	3,099,467	2,886,371	62,709
Public safety	17,039,958	1,688,668	71,222
Public works	5,258,183	67,422	34,850
Health and welfare	1,097,913	54,400	53,244
Culture and recreation	2,979,531	475,035	97,911
Housing and development	2,458,672	1,279,598	62,762
Debt service - interest and fees	1,476,859	-	-
Total governmental activities	42,570,713	8,271,016	395,277
Business-type activities:			
Water and sewer	13,650,616	18,430,993	-
Storm water	1,684,876	2,345,227	-
Solid waste management	4,537,644	4,252,697	-
Solid waste authority	7,617,211	3,093,488	-
Total business-type activities	27,490,347	28,122,405	-
Total primary government	\$ 70,061,060	\$ 36,393,421	\$ 395,277
Component units:			
Development Authority of Columbia County	\$ 735,913	\$ 175,955	\$ 672,846
Columbia County Board of Health	1,230,992	113,222	1,026,050
Total component unit	\$ 1,966,905	\$ 289,177	\$ 1,698,896

General revenues:

Taxes, property
Taxes, other than property
Revenues from use of money and property
Gain on sale of capital assets
Miscellaneous
Total general revenues

Change in net assets

Net assets - beginning
Net assets - ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets						
Capital Grants and Contributions	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Development Authority of Columbia County	Columbia County Board of Health	
\$ -	\$ (7,328,029)	\$ -	\$ (7,328,029)	\$ -	\$ -	
-	(150,387)	-	(150,387)	-	-	
-	(15,280,068)	-	(15,280,068)	-	-	
508,753	(4,647,158)	-	(4,647,158)	-	-	
-	(990,269)	-	(990,269)	-	-	
393,236	(2,013,349)	-	(2,013,349)	-	-	
-	(1,116,312)	-	(1,116,312)	-	-	
-	(1,476,859)	-	(1,476,859)	-	-	
901,989	(33,002,431)	-	(33,002,431)	-	-	
71,838	-	4,852,215	4,852,215	-	-	
-	-	660,351	660,351	-	-	
-	-	(284,947)	(284,947)	-	-	
-	-	(4,523,723)	(4,523,723)	-	-	
71,838	-	703,896	703,896	-	-	
\$ 973,827	(33,002,431)	703,896	(32,298,535)	-	-	
\$ -	\$ -	\$ -	\$ -	\$ 112,888	\$ -	
-	-	-	-	-	(91,720)	
\$ -	\$ -	\$ -	\$ -	\$ 112,888	\$ (91,720)	
18,156,702	-	-	18,156,702	-	-	
25,975,970	-	-	25,975,970	-	-	
686,170	286,586	-	972,756	-	1,053	
78,949	6,850	-	85,799	-	-	
439,346	-	-	439,346	-	68,430	
45,337,137	293,436	-	45,630,573	-	69,483	
12,334,706	997,332	-	13,332,038	112,888	(22,237)	
98,723,097	93,336,805	-	192,059,902	(1,886,788)	238,722	
\$ 111,057,803	\$ 94,334,137	\$ -	\$ 205,391,940	\$ (1,773,900)	\$ 216,485	

FUND FINANCIAL STATEMENTS

Columbia County, Georgia

**Balance Sheet
Governmental Funds
June 30, 2003**

	General	Special Local Option Sales Tax Fund 2001-2005	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 12,115,317	\$ 13,085,173	\$ 5,675,842	\$ 30,876,332
Investments	6,013,740	2,007,500	665,532	8,686,772
Taxes receivable	375,111	-	33,435	408,546
Accounts receivable	82,459	225	193,262	275,946
Intergovernmental receivable	1,659,547	1,923,576	-	3,583,123
Due from component units	-	61,000	-	61,000
Due from other funds	2,797,154	45,153	6,530,854	9,373,161
Inventories	26,142	-	-	26,142
Prepaid items	96,547	9,961	9,412	115,920
Total assets	\$ 23,166,017	\$ 17,132,588	\$ 13,108,337	\$ 53,406,942
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 1,343,161	\$ 588,317	\$ 401,510	\$ 2,332,988
Accrued payroll	958,782	28,676	63,029	1,050,487
Accrued compensated absences	213,043	5,757	13,880	232,680
Deferred revenue	294,414	-	705,185	999,599
Due to other funds	5,570,275	988,325	635,295	7,193,895
Due to component unit	5,000	-	-	5,000
Accrued interest	-	-	24,433	24,433
Total liabilities	8,384,675	1,611,075	1,843,332	11,839,082
Fund balances:				
Reserved for encumbrances	404,885	1,878,189	2,381,553	4,664,627
Reserved for inventories/prepaid items	122,689	9,961	9,412	142,062
Reserved for debt service	-	-	715,729	715,729
Unreserved, designated for operations	9,733,255	-	-	9,733,255
Designated for extraordinary reserve	1,000,000	-	-	1,000,000
Unreserved, undesignated	3,520,513	13,633,363	-	17,153,876
Unreserved, reported in nonmajor:				
Special revenue	-	-	2,599,228	2,599,228
Capital projects	-	-	5,559,083	5,559,083
Total fund balances	14,781,342	15,521,513	11,265,005	41,567,860
Total liabilities and fund balances	\$ 23,166,017	\$ 17,132,588	\$ 13,108,337	\$ 53,406,942

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia

**Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Assets
June 30, 2003**

Amounts reported for governmental activities in the statement of net assets are different because:

Ending fund balance - governmental funds	\$ 41,567,860
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	99,389,399
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	320,330
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(29,024,779)
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet.	(585,797)
Internal service funds are used by management to charge the costs of risk management and employee health benefits activity to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(55,263)
Certain activities between funds, including indirect costs and reimbursements, are recorded as revenues and expenditures in the respective funds. These interfund transactions have been eliminated in the statement of net assets.	<u>(553,947)</u>
Net assets of governmental activities	<u>\$ 111,057,803</u>

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2003**

	General	Special Local Option Sales Tax Fund 2001-2005	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes - property	\$ 16,594,572	\$ -	\$ 1,512,099	\$ 18,106,671
Taxes - other than property	12,021,439	10,800,184	3,154,347	25,975,970
Licenses and permits	217,952	-	805,074	1,023,026
Intergovernmental	2,441,827	-	922,722	3,364,549
Charges for services	2,540,756	-	2,395,167	4,935,923
Fines and forfeitures	1,822,308	-	421,259	2,243,567
Investment income	256,274	196,366	226,345	678,985
Contributions and donations	19,036	-	51,254	70,290
Other	351,905	90	85,561	437,556
Total revenues	<u>36,266,069</u>	<u>10,996,640</u>	<u>9,573,828</u>	<u>56,836,537</u>
Expenditures				
Current:				
General government	7,521,563	914,454	368,877	8,804,894
Judicial system	2,732,146	-	11,264	2,743,410
Public safety	14,470,329	-	1,058,037	15,528,366
Public works	3,277,266	-	2,394,935	5,672,201
Health and welfare	934,025	-	-	934,025
Culture and recreation	2,456,985	-	239,319	2,696,304
Housing and development	1,754,561	-	719,613	2,474,174
Miscellaneous	-	-	6,284	6,284
Capital outlay	1,580,543	6,183,464	4,169,021	11,933,028
Debt service:				
Principal	-	-	350,000	350,000
Interest	-	-	1,419,499	1,419,499
Total expenditures	<u>34,727,418</u>	<u>7,097,918</u>	<u>10,736,849</u>	<u>52,562,185</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,538,651</u>	<u>3,898,722</u>	<u>(1,163,021)</u>	<u>4,274,352</u>
Other financing sources (uses)				
Sale of property	78,949	-	-	78,949
Transfers in	275,000	-	2,753,854	3,028,854
Transfers out	-	-	(3,028,854)	(3,028,854)
Total other financing sources (uses)	<u>353,949</u>	<u>-</u>	<u>(275,000)</u>	<u>78,949</u>
Net change in fund balances	<u>1,892,600</u>	<u>3,898,722</u>	<u>(1,438,021)</u>	<u>4,353,301</u>
Fund balances - beginning	<u>12,888,742</u>	<u>11,622,791</u>	<u>12,703,026</u>	<u>37,214,559</u>
Fund balances - ending	<u>\$ 14,781,342</u>	<u>\$ 15,521,513</u>	<u>\$ 11,265,005</u>	<u>\$ 41,567,860</u>

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2003**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 4,353,301

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 7,429,584

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 50,032

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,456,288

In the fund financial statements, interest expense on long-term debt is reported in the period that the current financial resources are used. In the statement of activities, interest expense on long-term debt is recorded as the expense is incurred. This amount is the difference between recording interest as accrued rather than as paid. 5,469

The net revenue of certain activities of the internal service funds is reported with governmental activities. (406,021)

Certain activities between funds, including indirect costs and reimbursements, are recorded as revenues and expenditures in the respective funds. These interfund transactions have been eliminated in the statement of activities. (553,947)

Change in net assets of governmental activities \$ 12,334,706

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Taxes - property	\$ 16,365,049	\$ 16,365,049	\$ 16,594,572	\$ 229,523
Taxes - other than property	11,176,485	11,176,485	12,021,439	844,954
Licenses and permits	208,300	208,300	217,952	9,652
Intergovernmental	2,020,253	2,020,253	2,441,827	421,574
Charges for services	2,151,842	2,151,842	2,540,756	388,914
Fines and forfeitures	1,865,000	1,865,000	1,822,308	(42,692)
Investment income	551,200	551,200	256,274	(294,926)
Contributions and donations	52,000	52,000	19,036	(32,964)
Other	1,502,458	1,557,458	351,905	(1,205,553)
Total revenues	<u>35,892,587</u>	<u>35,947,587</u>	<u>36,266,069</u>	<u>318,482</u>
Expenditures				
Current:				
General government	9,569,761	7,263,001	7,521,563	(258,562)
Judicial system	2,617,536	2,829,252	2,732,146	97,106
Public safety	13,724,230	15,019,668	14,470,329	549,339
Public works	3,213,535	3,405,518	3,277,266	128,252
Health and welfare	914,331	956,795	934,025	22,770
Culture and recreation	2,327,001	2,523,107	2,456,985	66,122
Housing and development	2,131,607	2,288,226	1,754,561	533,665
Capital outlay	1,744,082	2,111,516	1,580,543	530,973
Total expenditures	<u>36,242,083</u>	<u>36,397,083</u>	<u>34,727,418</u>	<u>1,669,665</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(349,496)</u>	<u>(449,496)</u>	<u>1,538,651</u>	<u>1,988,147</u>
Other financing sources (uses)				
Sale of property	100,000	100,000	78,949	(21,051)
Transfers in	249,496	349,496	275,000	(74,496)
Total other financing sources (uses)	<u>349,496</u>	<u>449,496</u>	<u>353,949</u>	<u>(95,547)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,892,600</u>	<u>\$ 1,892,600</u>
Fund balance - beginning			<u>12,888,742</u>	
Fund balance - ending			<u>\$ 14,781,342</u>	

Columbia County, Georgia

Statement of Net Assets

Proprietary Funds

June 30, 2003

	Business-type Activities - Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Solid Waste Management Fund
Assets			
Current assets			
Cash and cash equivalents	\$ 371,881	\$ 5,659,160	\$ 786,406
Investments	12,392,664	3,367,033	-
Accounts receivable	2,205,456	991	489,823
Due from other funds	6,937	-	177,179
Inventories	513,743	-	-
Prepaid items	23,562	-	2,488
Total current assets	<u>15,514,243</u>	<u>9,027,184</u>	<u>1,455,896</u>
Noncurrent assets			
Restricted cash and investments	13,858,682	5,604,918	-
Deferred charges	1,136,899	29,853	-
Capital assets, net of accumulated depreciation	114,676,338	2,146,334	444,485
Total noncurrent assets	<u>129,671,919</u>	<u>7,781,105</u>	<u>444,485</u>
Total assets	<u>145,186,162</u>	<u>16,808,289</u>	<u>1,900,381</u>
Liabilities			
Current liabilities			
Accounts payable	1,729,313	-	96,417
Accrued payroll	143,652	-	14,723
Accrued compensated absences	232,432	-	27,830
Due to other funds	316,971	177,179	227,824
Payable from restricted assets			
Revenue bonds payable	2,690,000	1,015,000	-
Accrued interest payable	239,461	100,963	-
Customer deposits	57,446	-	-
Current portion of notes payable and capital leases	228,607	-	113,074
Total current liabilities	<u>5,637,882</u>	<u>1,293,142</u>	<u>479,868</u>
Noncurrent liabilities			
Notes payable	1,829,002	-	-
Capital leases	-	-	167,782
Estimated liability for landfill closure and postclosure care costs	-	8,301,677	1,387,143
Revenue bonds	53,187,408	2,375,000	-
Total noncurrent liabilities	<u>55,016,410</u>	<u>10,676,677</u>	<u>1,554,925</u>
Total liabilities	<u>60,654,292</u>	<u>11,969,819</u>	<u>2,034,793</u>

The notes to the financial statements are an integral part of this statement.

Non-major		Governmental
Storm Water		Activities -
Utility		Internal
Fund	Total	Service
		Funds
\$ 1,814,464	\$ 8,631,911	\$ 85,181
-	15,759,697	-
214,774	2,911,044	336
5,477	189,593	26,043
-	513,743	-
3,230	29,280	242
2,037,945	28,035,268	111,802
-	19,463,600	-
-	1,166,752	-
3,673,093	120,940,250	-
3,673,093	141,570,602	-
5,711,038	169,605,870	111,802
12,393	1,838,123	186,120
12,527	170,902	3,400
8,137	268,399	2,324
1,049,087	1,771,061	59,853
-	3,705,000	-
-	340,424	-
-	57,446	-
-	341,681	-
1,082,144	8,493,036	251,697
-	1,829,002	-
-	167,782	-
-	9,688,820	-
-	55,562,408	-
-	67,248,012	-
1,082,144	75,741,048	251,697

Continued on the following pages.

Columbia County, Georgia
Statement of Net Assets - Continued
Proprietary Funds
June 30, 2003

	Business-type Activities - Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Solid Waste Management Fund
Net assets			
Invested in capital assets, net of related debt	65,604,489	(1,243,666)	331,411
Restricted for debt service	2,292,420	5,705,881	-
Unrestricted net assets	16,634,961	376,255	(465,823)
Total net assets	<u>\$ 84,531,870</u>	<u>\$ 4,838,470</u>	<u>\$ (134,412)</u>

Some amounts reported for *business-type activities* in the statement of net assets are different because of the following:

- Certain internal service fund assets and liabilities are included with business-type activities.
- Interfund indirect cost allocations have been eliminated.
- Total net assets for business-type activities

<u>Non-major</u>		Governmental
<u>Storm Water</u>		Activities -
<u>Utility</u>		Internal
<u>Fund</u>	<u>Total</u>	<u>Service</u>
		<u>Funds</u>
3,673,093	68,365,327	-
-	7,998,301	-
955,801	17,501,194	(139,895)
<u>\$ 4,628,894</u>	<u>93,864,822</u>	<u>\$ (139,895)</u>

(84,632)
553,947
\$ 94,334,137

Columbia County, Georgia

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2003**

	Business-type Activities - Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Solid Waste Management Fund
Operating revenues			
Charges for services	\$ 16,023,330	\$ 3,062,323	\$ 2,668,864
Intergovernmental	71,838	-	-
Contributions	2,129,501	-	-
Reimbursement	-	-	1,568,321
Other	2,300	-	20,062
Total operating revenues	<u>18,226,969</u>	<u>3,062,323</u>	<u>4,257,247</u>
Operating expenses			
Personal services	3,291,501	-	334,412
Purchased/contracted services	1,352,642	3,246	557,381
Supplies and materials	2,186,594	-	137,025
Repairs and maintenance	277,624	-	-
Interfund/Interdepartmental charges	342,942	1,568,321	76,212
Depreciation and amortization	4,305,952	671,820	120,315
Other costs	67,448	5,171,899	3,302,250
Total operating expenses	<u>11,824,703</u>	<u>7,415,286</u>	<u>4,527,595</u>
Operating income (loss)	<u>6,402,266</u>	<u>(4,352,963)</u>	<u>(270,348)</u>
Nonoperating revenue (expense)			
Interest earned	290,766	279,213	-
Interest expense	(2,099,158)	(201,925)	(76,304)
Total nonoperating revenue (expense)	<u>(1,808,392)</u>	<u>77,288</u>	<u>(76,304)</u>
Change in net assets	<u>4,593,874</u>	<u>(4,275,675)</u>	<u>(346,652)</u>
Total net assets - beginning	79,722,143	9,114,145	212,240
Prior period adjustments	<u>215,853</u>	<u>-</u>	<u>-</u>
Total net assets - beginning, as restated	<u>79,937,996</u>	<u>9,114,145</u>	<u>212,240</u>
Total net assets - ending	<u>\$ 84,531,870</u>	<u>\$ 4,838,470</u>	<u>\$ (134,412)</u>

Some amounts reported for *business-type activities* in the statement of net assets are different because of the following:

Certain internal service fund assets and liabilities are included with business-type activities.

Interfund indirect cost allocations have been eliminated.

Total net assets of business-type activities

The notes to the financial statements are an integral part of this statement.

Non-major Storm Water Utility Fund	Total	Governmental Activities - Internal Service Funds
\$ 2,012,919	\$ 23,767,436	\$ 2,626,784
-	71,838	735,551
332,308	2,461,809	-
-	1,568,321	-
-	22,362	26,301
<u>2,345,227</u>	<u>27,891,766</u>	<u>3,388,636</u>
300,985	3,926,898	73,919
160,065	2,073,334	3,759,840
15,812	2,339,431	5,387
-	277,624	-
987,096	2,974,571	44,974
350,733	5,448,820	-
-	8,541,597	2,354
<u>1,814,691</u>	<u>25,582,275</u>	<u>3,886,474</u>
530,536	2,309,491	(497,838)
25,934	595,913	7,185
-	(2,377,387)	-
<u>25,934</u>	<u>(1,781,474)</u>	<u>7,185</u>
556,470	528,017	(490,653)
4,072,424	93,120,952	350,758
-	215,853	-
<u>4,072,424</u>	<u>93,336,805</u>	<u>350,758</u>
<u>\$ 4,628,894</u>	<u>\$ 93,864,822</u>	<u>\$ (139,895)</u>

(84,632)
 553,947
\$ 94,334,137

Columbia County, Georgia

**Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2003**

	Business-type Activities-Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Solid Waste Management Fund
Operating activities			
Cash received from customers	\$ 18,705,984	\$ 3,062,653	\$ 4,908,850
Cash paid to suppliers and others	(3,849,852)	(1,655,691)	(4,084,608)
Cash paid to employees	(3,327,979)	-	(380,090)
Net cash provided by (used in) operating activities	11,528,153	1,406,962	444,152
Capital and related financing activities			
Acquisition and construction of capital assets	(12,559,756)	-	(287,847)
Principal paid on revenue bonds	(2,540,000)	(890,000)	-
Principal paid on notes / capital leases	(218,467)	-	(64,506)
Interest paid on revenue bonds, notes and capital leases	(2,099,158)	(227,512)	(76,304)
Net cash provided by (used in) capital and related financing activities	(17,417,381)	(1,117,512)	(428,657)
Investing activities			
Interest on investments	281,153	279,213	-
Net cash provided (used) in investing activities	281,153	279,213	-
Net increase (decrease) in cash and cash equivalents/investments	(5,608,075)	568,663	15,495
Cash and cash equivalents/investments			
Beginning of year	32,231,302	14,062,448	770,911
End of year	\$ 26,623,227	\$ 14,631,111	\$ 786,406

Non-major		Governmental	
Storm Water		Activities -	
Utility		Internal	
Fund	Total	Service	
		Funds	
\$ 2,292,572	\$ 28,970,059	\$ 3,393,813	
(842,555)	(10,432,706)	(3,697,046)	
(300,547)	(4,008,616)	(71,595)	
1,149,470	14,528,737	(374,828)	
(660,122)	(13,507,725)	-	
-	(3,430,000)	-	
-	(282,973)	-	
-	(2,402,974)	-	
(660,122)	(19,623,672)	-	
25,934	586,300	7,185	
25,934	586,300	7,185	
515,282	(4,508,635)	(367,643)	
1,299,182	48,363,843	452,824	
\$ 1,814,464	\$ 43,855,208	\$ 85,181	

Continued on the following pages.

Columbia County, Georgia

**Statement of Cash Flows - Continued
Proprietary Funds
For the Year Ended June 30, 2003**

	Business-type Activities-Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Solid Waste Management Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 6,402,266	\$ (4,352,963)	\$ (270,348)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	4,305,952	671,820	120,315
Change in assets and liabilities			
Accounts receivable	457,274	330	651,603
Inventory	(198,866)	-	-
Deferred charges / prepaid expense	308,071	-	(770)
Due from other funds	24,592	-	84,124
Accounts payable	304,474	-	(59,416)
Accrued liabilities	(23,805)	-	(47,863)
Customer deposits	21,741	-	-
Due to other funds	(73,546)	(84,125)	(11,261)
Estimated liability for landfill closure and postclosure care cost	-	5,171,900	(22,232)
Total adjustments	5,125,887	5,759,925	714,500
Net cash provided by (used in) operating activities	\$ 11,528,153	\$ 1,406,962	\$ 444,152

The notes to the financial statements are an integral part of this statement.

Non-major Storm Water Utility Fund	Total	Governmental Activities - Internal Service Funds
\$ 530,536	\$ 2,309,491	\$ (497,838)
350,733	5,448,820	-
(52,655)	1,056,552	5,177
-	(198,866)	-
(262)	307,039	(99)
186,247	294,963	6,591
(14,792)	230,266	150,933
(786)	(72,454)	(5,932)
-	21,741	-
150,449	(18,483)	(33,660)
-	5,149,668	-
618,934	12,219,246	123,010
\$ 1,149,470	\$ 14,528,737	\$ (374,828)

Columbia County, Georgia
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2003

	Pension Trust Fund	
	Employees' Retirement Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ -	\$ 2,472,250
Investments	9,613,487	-
Total assets	<u>9,613,487</u>	<u>\$ 2,472,250</u>
Liabilities		
Due to other funds	-	\$ 563,984
Due to others	-	1,908,266
Total liabilities	<u>-</u>	<u>\$ 2,472,250</u>
Net assets		
Reserved for employees' retirement	<u>\$ 9,613,487</u>	

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2003

	Pension Trust Fund Employees' Retirement Fund
Additions	
Interest	\$ 160,869
Contributions	2,123,478
Miscellaneous revenue	132,318
Total additions	<u>2,416,665</u>
Deductions	
Benefits	811,568
Total deductions	<u>811,568</u>
Change in net assets	1,605,097
Total net assets - beginning	<u>8,008,390</u>
Total net assets - ending	<u><u>\$ 9,613,487</u></u>

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

1 - Summary of significant accounting policies

Introduction

The financial statements of Columbia County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has implemented GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and related standards. These new standards provide for significant changes in terminology and presentation and for the inclusion of Management's Discussion and Analysis as required supplementary information.

As permitted by accounting principles generally accepted in the United States of America, the County has elected to apply only applicable Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its government-wide and proprietary operations. The more significant of the County's accounting policies are described below.

Reporting entity

Columbia County, Georgia, established in 1790 and named in honor of Christopher Columbus, is located in the Central Savannah River Area of Georgia approximately 135 miles east of Atlanta and five miles northwest of Augusta-Richmond County. The 290 square mile county is bounded on the north by Thurmond Lake and the Savannah River (separating Columbia County from Lincoln County, Georgia, and McCormick and Edgefield Counties, South Carolina), on the south and east by Augusta-Richmond County, and on the west by McDuffie County. The County operates under an elected Commission form of government.

The County is governed by a board of five elected County Commissioners (the "Board"). As required by accounting principles generally accepted in the United States of America, these financial statements present the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of the operational or financial relationships with the County.

Based upon the application of the GASB Statement No. 14, *The Financial Reporting Entity*, criteria, the following funds are included in the reporting entity.

Blended component unit

Columbia County Solid Waste Management Authority – The Columbia County Solid Waste Management Authority (SWMA) is governed by an eight member Board of Directors, of which at least three members must be elected officials. Each member of the SWMA is appointed by the Board. Although it is legally separate from the County, the SWMA is reported as if it were part of the primary government because its sole purpose is to perform development, leasing, and long-term planning of a solid waste facility (landfill), reported in the Solid Waste Management Fund, for the County. The SWMA, which is reported as an Enterprise Fund, entered into an intergovernmental agreement with the County to subsidize its operations through the General Fund.

Discretely presented component units

Development Authority of Columbia County – The component unit column in the government-wide financial statements includes the financial data of the Development Authority of Columbia County. It is reported in a separate column to emphasize that it is legally separate from the County. The Development Authority is governed by a nine member Board of Directors appointed by the Board of Commissioners. The Development Authority serves to promote, pursue and implement economic development in the County. The Development Authority entered into an intergovernmental agreement with the County to subsidize its operations through the General Fund.

Columbia County Board of Health – The component unit column in the government-wide financial statements includes the financial data of the Columbia County Board of Health. It is reported in a separate column to emphasize that it is legally separate from the County. The Board of Health is comprised of seven members, four of which are appointed by the Board of Commissioners. The operations of the Board of Health are subsidized through the County's General Fund.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 1 - Summary of significant accounting policies (Continued)

Complete financial statements of each of the blended and discretely presented component units may be obtained at the County's administrative office. The address is as follows:

Columbia County, Georgia
General Administrative Offices
630 Ronald Reagan Drive
Evans, Georgia 30809

Certain County elected officials collect and disburse taxes, fees, fines, etc. Separate records of accountability are maintained for such transactions, which are recorded as agency funds of the County. Receipts transferred from these funds to the County's General Fund, Debt Service Fund and Special Revenue Funds are included as revenues in these funds. Operating costs for these officials are included as expenditures in the General Fund. These elected officials are as follows:

Tax Commissioner
Probate Court Judge
Magistrate Court Judge
Clerk of Superior Court
Sheriff

Basis of Presentation

Government-wide statements: The statement of net assets and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements: The fund financial statements provide information about the County's funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operation revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The County reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the County. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, state grants, and various other taxes and licenses. The primary expenditures are for the judicial system, public safety, development, health and welfare, recreation, street maintenance and improvements.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 1 - Summary of significant accounting policies (Continued)

Special Local Option Sales Tax Fund – 2001-2005 - The Special Local Option Sales Tax Fund – 2001-2005 is used to account for property acquisition and construction of projects designated to be funded by revenue from the special purpose local option sales tax collected during 2001 through 2005.

The County reports the following nonmajor governmental funds:

Building Standards Fund - to account for building permits and inspection fees.

Federal Asset Sharing Fund - to account for assets seized or confiscated by federal courts.

State Condemnation Fund - to account for assets seized or confiscated by state courts.

Street Lights Fund - to account for the street light assessments used for maintenance of street lights in certain subdivisions.

Recreation Advisory Board Fund - to account for various projects sponsored by the Recreation Advisory Board to raise funds for recreation equipment.

911 Fund - to account for the 911 phone charges used for the maintenance of the 911 phone lines.

Jail Fund - to account for fines charged by the County to be used for jail improvements.

Drug Abuse Treatment Fund - to account for vice fines charged by the County to be used for drug abuse treatment and prevention.

Supplemental Juvenile Services Fund - to account for fines charged to juvenile offenders to be used for juvenile services.

Community Center Operations Fund - to account for the activities of the Columbia County community centers.

Community Greenspace Fund - to account for funds used to acquire real property for the preservation of greenspace, pursuant to the Georgia Greenspace Program as established in OCGA 36-22-1 et seq.

Hotel/Motel Fund - to account for hotel/motel tax collections, pursuant to OCGA 48-13-50 et seq.

Library Board Fund – to account for the activity of the Columbia County Library.

Clean and Beautiful Memorial Fund – to account for funds used for beautification projects on County property.

Special Local Option Sales Tax Fund 1996 – 2000 - to account for the property acquisition and construction of projects designated to be funded by revenue from the special purpose local option sales tax collected during 1996 through 2000.

Capital Road/Drainage Projects Fund - to account for special projects funded by Insurance Premium Tax.

Airport Authority Fund – to account for the activity of the Columbia County Airport Authority.

General Obligation Bond Projects Fund - to account for construction projects funded through General Obligation Bonds.

Windmill Sewer Project Fund - to account for the extension of sewer lines to Windmill Plantation subdivision.

Debt Service Fund – to account for funds designated to be used for principal and interest payments on governmental fund debt.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 1 - Summary of significant accounting policies (Continued)

The County reports the following major enterprise funds:

Water and Sewerage Fund – to account for water and sewer operations as well as construction and maintenance of water and sewerage projects.

Solid Waste Authority Fund - to account for debt service, construction and property of the landfill.

Solid Waste Management Fund - to account for the cost of operating and maintaining the landfill facility.

The County reports the following nonmajor enterprise funds:

Storm Water Utility Fund – to account for the cost of providing storm water management services and maintaining and improving the County's storm water infrastructure.

Additionally, the County reports the following fund types:

Internal Service Funds – Internal Service Funds are used to account for the operations that provide services to other departments or agencies for the government, on a cost-reimbursement basis. The County has two internal service funds:

Employee Medical Fund – to account for employer and employee contributions to the County's insurance program.

Risk Management Fund – to account for the County's risk management program.

Employees' Retirement Pension Trust Fund – This fund accounts for the employer's contributions to the retirement program, together with interest and dividend income which are used to fund the program.

Agency Funds – Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds:

Clerk of Superior Court - to account for the receipt and disbursement of court ordered fines and fees made on behalf of third parties.

Probate Court - to account for the receipt and disbursement of funds held on behalf of others and fees for services provided under State law.

Magistrate Court - to account for the receipt and disbursement of bonds and court ordered fines and fees made on behalf of third parties.

Sheriff's Office - to account for the receipt and disbursement of fees and services provided under State law.

Tax Commissioner - to account for tax billings, collections, and remittances held by the Tax Commissioner on behalf of other governmental agencies.

General Trust and Agency - to account for miscellaneous receipts held on behalf of other governments and/or other funds.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 1 - Summary of significant accounting policies (Continued)

Measurement Focus and Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements – The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds which have no measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual are property taxes, licenses, interest revenues and charges for services. State-shared revenues collected and held by the state at year-end on behalf of the County also are recognized as revenue. Fines, fees and permits are not susceptible to accrual because generally they are not measurable until received in cash.

Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, both restricted and unrestricted net assets are available to finance the program. The County's policy is to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

Cash and cash equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, deposits with insignificant early withdrawal penalties, and short-term investments with an original maturity of three months or less.

The County follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Nonparticipating interest-earning investment contracts (investments whose value is not affected by interest rate or other market changes), including savings accounts, certificates of deposit, repurchase agreements, money market investments (short-term, highly liquid debt instruments including commercial paper, banker's acceptances and U.S. Treasury and agency obligations) and participating interest-bearing investment contracts, that have a remaining maturity at purchase of one year or less are reported at cost or amortized cost assuming their fair value has not been impacted by changes in the credit worthiness of the issuer or similar factors. All other investments are reported at fair value (the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale).

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 1 - Summary of significant accounting policies (Continued)

Investments

Investments are reported at fair value, which is determined as follows: short-term investments are reported at cost, which approximates fair value; securities traded on national exchanges are valued at current prices or current prices of similar securities; securities for which an established market does not exist are reported at estimated fair value using selling prices for similar investments for which there is an active market. There are no investments reported at amortized cost.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Allowance for bad debt

The allowance for bad debt covers amounts owed from individuals, companies and other entities which have purchased services from County owned entities or which have been provided services from the County. The allowance was determined by analysis of the year-end receivable balances for those accounts which the County believes will not be collected based on past history.

Interfund receivables/payables and internal balances

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the fund financial statements and as "internal balances" on the statement of net assets in the government-wide financial statements.

Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted assets

Proceeds from debt and funds set aside for payment of Enterprise Fund revenue bonds are classified as restricted assets since their use is limited by applicable bond indebtedness. Other cash funds available for use for specific purposes are classified as restricted.

Capital assets

Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. This minimum capitalization cost is applicable for all categories of capital assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2002, consist of the streets network that was acquired or that received substantial improvements subsequent to July 1, 1980. The streets network is reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are expensed as incurred.

Depreciation is computed using the straight-line method. A summary of the estimated useful lives is as follows:

Vehicles	3 to 8 years
Furniture and fixtures	3 to 8 years
Machinery and equipment	5 to 10 years
Water and Sewer systems	10 to 50 years
Storm water systems	10 to 50 years
Buildings and improvements	10 to 50 years
Infrastructure	25 to 75 years

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 1 - Summary of significant accounting policies (Continued)

Construction cost - capitalization

In the proprietary funds, construction costs include costs incurred in the construction of assets, engineering fees and capitalized net interest costs as defined in FASB Statement No. 34, *Capitalization of Interest Cost* and FASB Statement No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*, for specified projects. Capitalized interest totaling approximately \$714,000 was recorded for the year ended June 30, 2003.

Compensated absences

The County's policy is to permit employees to accumulate earned but unused leave benefits. The County's government-wide and proprietary funds include an accrual for the estimated compensation costs attributable to employee earned but unused leave benefits.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, as expenditures during the period the costs are incurred. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net assets/fund balances

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

The equity section of the governmental fund financial statement balance sheet is comprised of these major fund balance elements: reserved, unreserved/designated and unreserved/undesignated. Reserves represent the portion of fund balance that is (1) not available for appropriation or expenditure and/or (2) is segregated legally for a specific future use. To indicate tentative future plans for current resources, a portion of unreserved fund balance is shown as designated. All other current resources are shown as unreserved, undesignated on the balance sheet.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 - Stewardship, compliance, and accountability

Budgetary information

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general fund, proprietary funds and special revenue funds. The County adopts a project length budget for each capital project fund.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Director of Financial Services begins receiving various departmental and agency budget requests for the fiscal year commencing July 1.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 2 - Stewardship, compliance, and accountability (continued)

2. The County Administrator, Director of Financial Services, Board of Commissioners and other administrative personnel review in detail the budget requests with the departments and agencies.
3. Along with the budget review, public hearings are conducted to obtain citizen comments.
4. The proposed operating budgets are formally adopted by the Board in June for the fiscal year commencing July 1.
5. The legal level of budgetary control is the department level.
6. All appropriations lapse at year-end.
7. The operating budgets originally adopted may be amended throughout the year as presented below:
 - a. Transfers within departments except salary line items may be authorized by the County Administrator.
 - b. Transfers between departments or funds shall be by authority of the Board.
 - c. Increase or decrease in the total fund appropriation shall be by authority of the Board.
 - d. Increase or decrease in salary appropriation within any department shall be by authority of the Board.
 - e. Appropriation of fund balances in excess of established reserve requirements shall be by authority of the Board.
 - f. Items b - e above must be reviewed by the Management and Financial Services Committee.

Excess of expenditures over appropriations in individual departments

During the year, County expenditures did not exceed the total budget authorization.

The following individual funds had an excess of expenditures over appropriations:

<u>Primary Government</u>	<u>Expenditures (Budgetary Basis)</u>	<u>Appropriations</u>	<u>Excess</u>
Nonmajor governmental funds			
Special Revenue Funds			
Federal Asset Sharing Fund	\$ 32,180	\$ 5,000	\$ 27,180
State Condemnation Fund	81,822	30,000	51,822
Hotel/Motel Fund	190,108	164,500	25,608

Expenditures in the Federal Asset Sharing Fund and the State Condemnation Fund exceeded budgeted amounts due to spending of prior year collections of revenues. Expenditures as well as revenues in the Hotel/Motel Fund exceeded budgeted amounts due to the opening of additional hotel/motel facilities within the County.

Deficit fund balances or net assets

The following funds had deficits at June 30, 2003:

Special Revenue Funds

Community Center Operations Fund - The fund deficit of \$461,429 is due primarily to the limited time the Center has been in operation. The deficit will be funded by future rental fees as utilization of the Center increases and transfers from the General Fund.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 2 - Stewardship, compliance, and accountability (continued)

Community Greenspace Fund – The fund deficit of \$63 is due primarily to limited activity in the fund. The deficit will be funded through future intergovernmental revenues once the project begins.

Enterprise Funds

Solid Waste Management Fund- The deficit net assets of \$134,412 is a result of recording bad debt expense on receivables. The deficit will be funded with future revenues.

Note 3 - Deposits and investments

Statutes authorize the County to make direct investments in obligations of the State of Georgia or the U.S. Government, obligations fully insured or guaranteed by the U.S. Government, repurchase agreements and certificates of deposit which are secured by direct obligations of Georgia or the U.S. Government.

The carrying amount of the primary government's deposits with financial institutions was \$52,404,785 and the bank balance was \$53,048,174. The carrying amount of the component units' deposits with financial institutions was \$244,769 and the bank balance was \$62,272. The bank balance is categorized as follows:

	Primary Government	Component Unit
Amount insured by the FDIC	\$ 700,000	100,000
Amount collateralized with securities held by the pledging financial institution's trust department in the County's name	52,326,147	-
Amount uncollateralized	22,027	214,722
Total bank balance	\$ 53,048,174	314,722

Investments are categorized below to give an indication of the level of risk assumed by the County at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or its trust department or agent but not in the County's name.

	Risk Category			Carrying Amount	Fair Value
	1	2	3		
U.S. Government securities	\$ -	\$ 15,577,642	\$ -	\$ 15,577,642	\$ 15,577,642
Non-credit risk investments					
Cash – deposits with brokerage houses				18,005,259	
Mutual funds				7,049,793	
Insurance contracts				2,541,269	
Cash – deposits with financial institutions				52,404,785	
Cash on hand				10,482	
Total cash and cash equivalents				\$ 95,589,230	

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 3 - Deposits and investments (continued)

The amounts on the previous table are classified in the accompanying balance sheet as follows:

Cash and cash equivalents – unrestricted	\$ 42,065,674
Investments – unrestricted	34,059,956
Cash and cash equivalents – restricted	17,484,533
Investments – restricted	<u>1,979,067</u>
	<u>\$ 95,589,230</u>

Component unit - Deposits consisted of cash deposits with financial institutions and cash on hand. The amounts are classified in the accompanying balance sheet as follows:

Cash and cash equivalents - unrestricted	\$ <u>244,994</u>
--	-------------------

Note 4 - Receivables

Property taxes are an enforceable lien on property owned as of January 1. The tax rate is normally set by the end of August, and property taxes may be paid after receipt of the tax bill. Taxes are delinquent sixty-one days after mailing by the Tax Commissioner. Property tax revenues are recognized when they become measurable and available. Available revenues include those property tax receivables expected to be collected within sixty days.

Vehicles become subject to property tax on January 1 following the year of purchase. The tax is due on the registered owner's date of birth. Tax is determined based on the assessed value of the vehicle as of January 1.

Property taxes are recorded as receivables when levied. Property taxes receivable, reduced by an allowance for doubtful accounts and amounts collected within sixty days of the statement date (the amount "available"), is recorded as deferred revenue until collected. Such revenue is deferred because the amount is measurable, although not available.

Property taxes were levied on June 7, 2002. Tax bills were mailed on September 11, 2002 and were due upon receipt. Property taxes were delinquent if not paid by November 15, 2002.

The receivable amounts on the accompanying statements are net of an allowance for doubtful accounts. The allowances are as follows:

Receivable	Fund	Amount
Taxes	General Fund	\$ 15,000
Accounts	Solid Waste Management Fund	230,042
Accounts	All other Nonmajor Funds	87,300

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 5 - Interfund balances and activities

Due From/To Other Funds

The composition of interfund balances as of June 30, 2003 are as follows:

Receivable Fund	Payable Fund						Total
	General	SPLOST 2001-2005	Water and Sewerage	Solid Waste Authority	Solid Waste Management	Other Nonmajor Funds	
General	\$ -	\$ 65,296	\$ 311,493	\$ -	\$ 227,824	\$ 2,192,541	\$ 2,797,154
SPLOST 2001-2005	-	-	-	-	-	45,153	45,153
Water and Sewerage	-	-	-	-	-	6,937	6,937
Solid Waste Management	-	-	-	177,179	-	-	177,179
Other Nonmajor Funds	5,570,275	923,029	5,478	-	-	63,592	6,562,374
	<u>\$ 5,570,275</u>	<u>\$ 988,325</u>	<u>\$ 316,971</u>	<u>\$ 177,179</u>	<u>\$ 227,824</u>	<u>\$ 2,308,223</u>	<u>\$ 9,588,797</u>

The County uses Due to / Due From accounts to account for loans between funds for cash management purposes.

Transfers To/From Other Funds

Transfers in (out) for the year ended June 30, 2003 are summarized below:

Transfer out:	Transfer in:		
	Nonmajor Governmental		
	General Fund	Funds	Total
Nonmajor governmental funds	<u>\$ 275,000</u>	<u>\$ 2,753,854</u>	<u>\$ 3,028,854</u>
Total transfers	<u>\$ 275,000</u>	<u>\$ 2,753,854</u>	<u>\$ 3,028,854</u>

Transfers between the General Fund and other nonmajor governmental funds were primarily to support the operations of the funds.

(The remainder of this page is intentionally left blank)

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 6 – Capital assets

A summary of changes in the capital assets is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 23,347,557	\$ 1,710,546	\$ (9,000)	\$ 25,049,103
Construction in process	37,710,178	6,053,010	(38,852,183)	4,911,005
Total capital assets not being depreciated	<u>61,057,735</u>	<u>7,763,556</u>	<u>(38,861,183)</u>	<u>29,960,108</u>
Capital assets being depreciated:				
Buildings	33,537,127	35,442,491	-	68,979,618
Improvements other than buildings	17,448	2,485,211	-	2,502,659
Infrastructure	136,446,590	2,902,211	-	139,348,801
Vehicles, machinery and equipment	10,631,847	907,228	(645,721)	10,893,354
Total capital assets being depreciated	<u>180,633,012</u>	<u>41,737,141</u>	<u>(645,721)</u>	<u>221,724,432</u>
Less accumulated depreciation for:				
Buildings	(21,454,652)	(1,740,197)	-	(23,194,849)
Improvements other than buildings	(1,527)	(31,501)	-	(33,028)
Infrastructure	(120,879,254)	(193,481)	-	(121,072,735)
Vehicles, machinery and equipment	(7,395,500)	(1,244,750)	645,721	(7,994,529)
Total accumulated depreciation	<u>(149,730,933)</u>	<u>(3,209,929)</u>	<u>645,721</u>	<u>(152,295,141)</u>
Total capital assets being depreciated, net	<u>30,902,079</u>	<u>38,527,212</u>	<u>-</u>	<u>69,429,291</u>
Governmental activities capital assets, net	<u>\$ 91,959,814</u>	<u>\$ 46,290,768</u>	<u>\$ (38,861,183)</u>	<u>\$ 99,389,399</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 240,321
Judicial	331,806
Public safety	1,454,722
Public works	639,724
Recreation and parks	303,951
Housing and development	78,385
Health and welfare	161,020
	<u>\$ 3,209,929</u>

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 6 – Capital assets (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities:				
Water and Sewerage Fund:				
Capital assets not being depreciated:				
Land	\$ 272,141	\$ -	\$ -	\$ 272,141
Construction in process	11,304,723	9,371,506	(5,456,078)	15,220,151
Total capital assets not being depreciated	11,576,864	9,371,506	(5,456,078)	15,492,292
Capital assets being depreciated:				
Buildings	1,499,805	-	-	1,499,805
Utility plant and distribution systems	82,538,714	5,456,078	-	87,994,792
Donated subdivisions	45,673,175	2,129,501	-	47,802,676
Machinery and equipment	1,960,667	731,370	-	2,692,037
Furniture	19,124	-	-	19,124
Vehicles	1,127,865	440,522	(20,688)	1,547,699
Total capital assets being depreciated	132,819,350	8,757,471	(20,688)	141,556,133
Less accumulated depreciation for:				
Buildings	(306,302)	(49,063)	-	(355,365)
Utility plant and distribution systems	(22,514,544)	(2,163,727)	-	(24,678,271)
Donated subdivisions	(13,843,134)	(1,168,448)	-	(15,011,582)
Machinery and equipment	(1,031,768)	(336,940)	-	(1,368,708)
Furniture	(8,861)	(1,368)	-	(10,229)
Vehicles	(802,656)	(165,964)	20,688	(947,932)
Total accumulated depreciation	(38,507,265)	(3,885,510)	20,688	(42,372,087)
Total capital assets being depreciated, net	94,312,085	4,871,961	-	99,184,046
Water and Sewerage Fund capital assets, net	\$ 105,888,949	\$ 14,243,467	\$ (5,456,078)	\$ 114,676,338
Solid Waste Authority Fund				
Capital assets not being depreciated:				
Land	\$ 89,737	\$ -	\$ -	\$ 89,737
Capital assets being depreciated:				
Buildings	6,944,306	-	-	6,944,306
Machinery and equipment	371,593	-	-	371,593
Total capital assets being depreciated	7,315,899	-	-	7,315,899
Less accumulated depreciation for:				
Buildings	(4,249,324)	(638,385)	-	(4,887,709)
Machinery and equipment	(358,059)	(13,534)	-	(371,593)
Total accumulated depreciation	(4,607,383)	(651,919)	-	(5,259,302)
Total capital assets being depreciated, net	2,708,516	(651,919)	-	2,056,597
Solid Waste Authority Fund capital assets, net	\$ 2,798,253	\$ (651,919)	\$ -	\$ 2,146,334

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 6 – Capital assets (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities - continued:				
Solid Waste Management Fund:				
Capital assets being depreciated:				
Machinery and equipment	\$ 503,823	\$ 287,848	\$ -	\$ 791,671
Vehicles	40,637	-	-	40,637
Total capital assets being depreciated	<u>544,460</u>	<u>287,848</u>	<u>-</u>	<u>832,308</u>
Less accumulated depreciation for:				
Machinery and equipment	(255,316)	(112,188)	-	(367,504)
Vehicles	(12,192)	(8,127)	-	(20,319)
Total accumulated depreciation	<u>(267,508)</u>	<u>(120,315)</u>	<u>-</u>	<u>(387,823)</u>
Total capital assets being depreciated, net	<u>276,952</u>	<u>167,533</u>	<u>-</u>	<u>444,485</u>
Solid Waste Management Fund capital assets, net	<u>\$ 276,952</u>	<u>\$ 167,533</u>	<u>\$ -</u>	<u>\$ 444,485</u>
Storm Water Utility Fund, nonmajor				
Capital assets not being depreciated:				
Land	\$ 400,645	\$ -	\$ -	\$ 400,645
Capital assets being depreciated:				
Machinery and equipment	187,632	74,819	-	262,451
Furniture and fixtures	8,449	-	-	8,449
Storm water systems	6,576,355	585,303	-	7,161,658
Total capital assets being depreciated	<u>6,772,436</u>	<u>660,122</u>	<u>-</u>	<u>7,432,558</u>
Less accumulated depreciation for:				
Machinery and equipment	(56,735)	(45,008)	-	(101,743)
Furniture and fixtures	(4,225)	(1,690)	-	(5,915)
Storm water systems	(3,748,417)	(304,035)	-	(4,052,452)
Total accumulated depreciation	<u>(3,809,377)</u>	<u>(350,733)</u>	<u>-</u>	<u>(4,160,110)</u>
Total capital assets being depreciated, net	<u>2,963,059</u>	<u>309,389</u>	<u>-</u>	<u>3,272,448</u>
Storm Water Utility Fund capital assets, net	<u>\$ 3,363,704</u>	<u>\$ 309,389</u>	<u>\$ -</u>	<u>\$ 3,673,093</u>
Business-type activities capital assets, net	<u>\$ 112,327,858</u>	<u>\$ 14,068,471</u>	<u>\$ (5,456,078)</u>	<u>\$ 120,940,250</u>

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 6 – Capital assets (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Discretely presented component units				
Development Authority				
Capital assets not being depreciated:				
Land	\$ 676,538	\$ -	\$ (215,944)	\$ 460,594
Construction in progress	28,600	-	-	28,600
Total capital assets not being depreciated	<u>705,138</u>	<u>-</u>	<u>(215,944)</u>	<u>489,194</u>
Capital assets being depreciated:				
Buildings	1,992,374	294,055	-	2,286,429
Land improvements	5,408,455	-	(5,309,814)	98,641
Total capital assets being depreciated	<u>7,400,829</u>	<u>294,055</u>	<u>(5,309,814)</u>	<u>2,385,070</u>
Less accumulated depreciation for:				
Buildings	(320,100)	(91,458)	-	(411,558)
Land improvements	(1,233)	(2,466)	-	(3,699)
Total accumulated depreciation	<u>(321,333)</u>	<u>(93,924)</u>	<u>-</u>	<u>(415,257)</u>
Total capital assets being depreciated, net	<u>7,079,496</u>	<u>200,131</u>	<u>(5,309,814)</u>	<u>1,969,813</u>
Development Authority capital assets, net	<u>\$ 7,079,496</u>	<u>\$ 200,131</u>	<u>\$ (5,309,814)</u>	<u>\$ 1,969,813</u>
Board of Health				
Capital assets being depreciated:				
Machinery and equipment	\$ 258,743	\$ -	\$ -	\$ 258,743
Total capital assets being depreciated	<u>258,743</u>	<u>-</u>	<u>-</u>	<u>258,743</u>
Less accumulated depreciation for:				
Machinery and equipment	(127,811)	(51,749)	-	(179,560)
Total accumulated depreciation	<u>(127,811)</u>	<u>(51,749)</u>	<u>-</u>	<u>(179,560)</u>
Total capital assets being depreciated, net	<u>130,932</u>	<u>(51,749)</u>	<u>-</u>	<u>79,183</u>
Board of Health capital assets, net	<u>\$ 130,932</u>	<u>\$ (51,749)</u>	<u>\$ -</u>	<u>\$ 79,183</u>

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 7 - Long-term and short-term obligations

A. General obligation bonds – serviced by the General Fund

General Obligation Bonds Series 1998

On October 1, 1998, the County issued the \$28,715,000 Columbia County, Georgia, General Obligation Bonds Series 1998.

The Series 1998 Bonds were issued to (a) finance the costs of acquiring, constructing and equipping a new courthouse annex and renovating the existing courthouse, (b) finance the costs of improving the existing County detention center and (c) pay certain costs of issuing the Series 1998 Bonds.

Interest on the General Obligation Bonds, Series 1998 is to be paid semi-annually on February 1 and August 1 of each year and principal is paid February 1 of each year as follows:

June 30,	Governmental activities			Coupon
	Principal	Interest	Total	Rate
2004	\$ 425,000	\$ 1,405,912	\$ 1,830,912	3.85
2005	495,000	1,389,550	1,884,550	3.95
2006	580,000	1,369,998	1,949,998	4.00
2007	655,000	1,346,798	2,001,798	4.05
2008	745,000	1,320,270	2,065,270	4.15
2009 – 2013	5,040,000	6,012,163	11,052,163	4.25 – 4.70
2014 – 2018	7,300,000	4,564,610	11,864,610	4.80 – 5.63
2019 – 2023	10,195,000	2,284,188	12,479,188	5.63 – 5.00
2024	2,460,000	123,000	2,583,000	5.00
	<u>\$ 27,895,000</u>	<u>\$ 19,816,489</u>	<u>\$ 47,711,489</u>	

B. Revenue Bonds – serviced by the Water and Sewerage Fund (the “System”)

The Water and Sewerage Revenue Bond Ordinances provide that certain funds be established and maintained while the bonds are outstanding. The funds required and the purpose of each, are as follows:

1. Revenue Fund - To receive all revenue of the water and sewer operation, and fund the other required funds.
2. Sinking Funds - To provide a means for payment of principal and interest.
3. Renewal and Extension Fund - To make replacements, additions, extensions and improvements to the system, and to pay principal and interest on bonds and any obligations payable from the sinking fund.
4. Operation, Maintenance and Repair Fund - To pay reasonable and necessary costs of operating, maintaining and repairing the system.
5. Arbitrage Rebate Fund - To assure compliance with the provisions of the Internal Revenue Code.

The ordinance specifies the minimum levels of funding required to be maintained in the sinking funds and the Renewal and Extension fund. Each bond is secured by a first lien on and pledge of the net revenues of the System. The following is a schedule of the outstanding revenue bonds in the System:

Series 1993

In connection with the refunding of the 1988 Water and Sewerage Refunding Revenue Bonds, the System issued Series 1993 Water and Sewerage Refunding Revenue Bonds in the aggregate principal amount of \$10,735,000.

Principal and interest are to be paid semi-annually on June 1 and December 1 of each year.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 7 - Long-term and short-term obligations (continued)

Series 1996

On March 1, 1996, the System issued \$14,800,000 Water & Sewerage Revenue Bonds, Series 1996. In connection with the refunding Series 2001A, the System partially refunded Series 1996 in the amount of \$10,395,000.

The Series 1996 Bonds were issued to provide funds, together with other available funds of the System, to (a) finance, in whole or in part, the cost of adding to, improving, extending and equipping the Water and Sewerage System of said County, and (b) pay certain expenses necessary to accomplish the foregoing.

The Series 1996 Bonds are secured by a first lien on and pledge of the net revenues of the Water and Sewerage System on a parity with the Columbia County Water and Sewerage Bonds, Series 1986 and 1988 issued during prior years. Principal and interest on the Series 1996 Bonds is insured by a municipal bond insurance policy issued by AMBAC Indemnity Corporation simultaneously with the delivery of the Series 1996 Bonds.

Interest is to be paid semi-annually on June 1 and December 1 of each year and principal is to be paid annually on June 1 of each year.

Series 1996A

In connection with the refunding of the 1991A Water and Sewerage Revenue Bonds, the System issued Series 1996A Water and Sewerage Refunding Revenue Bonds in the aggregate principal amount of \$6,970,000.

Interest is to be paid semi-annually on June 1 and December 1 of each year and principal is to be paid annually on June 1 of each year.

Series 2000

On March 1, 2000, the System issued \$25,000,000 Water & Sewerage Revenue Bonds Series 2000. In connection with the refunding Series 2001A, the System partially refunded Series 2000 in the amount of \$8,510,000.

The Series 2000 Bonds were issued to provide funds, together with other funds of the County available therefore, to (a) finance, in whole or in part, the cost of adding to, improving, extending and equipping the Water and Sewerage System of said County, and (b) pay certain expenses necessary to accomplish the foregoing.

The Series 2000 Bonds are secured by a first lien on and pledge of the net revenues of the Water and Sewerage System. Payment of the principal and interest on the Series 2000 Bonds is insured by a municipal bond insurance policy which was issued by Financial Guaranty Insurance Company simultaneously with the delivery of the Series 2000 Bonds.

Interest is to be paid semi-annually on June 1 and December 1 of each year and principal is to be paid annually on June 1 of each year.

Series 2001

In connection with the refunding of the 1992 Water and Sewerage Revenue Bonds, the System issued Series 2001 Water and Sewerage Refunding Revenue Bonds in the aggregate principal amount of \$12,155,000.

Interest is to be paid semi-annually on June 1 and December 1 of each year and principal is to be paid annually on June 1 of each year.

Series 2001A

In connection with the refunding of the 1996 Water and Sewerage Revenue Bonds and 2000 Water and Sewerage Revenue Bonds, the System issued Series 2001 Water and Sewerage Refunding Revenue Bonds in the aggregate principal amount of \$21,020,000.

Interest is to be paid semi-annually on June 1 and December 1 of each year and principal is to be paid annually on June 1 of each year.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 7 - Long-term and short-term obligations (continued)

C. Revenue Bonds – serviced by the Solid Waste Management Fund

On November 1, 1994, the Solid Waste Management Authority of Columbia County, Georgia, issued \$7,970,000 Landfill Revenue Bonds, Series 1994.

The Series 1994 Bonds were issued to (a) finance the cost of certain improvements to the Landfill Facility, and (b) to pay certain costs of issuing the Series 1994 Bonds.

The Series 1994 Bonds are limited, special obligations of the Authority and are secured and payable from revenues received under an Intergovernmental Agreement for the development, leasing and operation of a solid waste facility between the Authority and Columbia County. The scheduled payment of principal and interest on the Series 1994 Bonds when due is guaranteed under an insurance policy issued with the delivery of the Series 1994 Bonds by Municipal Bond Investors Assurance Corporation.

Interest is to be paid semi-annually on January 1 and July 1 of each year and principal is to be paid annually on July 1 each year.

D. Summary of Revenue Bonds outstanding

A summary of revenue bond indebtedness as of June 30, 2003, is as follows:

Water and Sewerage Refunding Revenue Bonds, Series 1993	\$ 4,740,000
Water and Sewerage Refunding Revenue Bonds, Series 1996	235,000
Water and Sewerage Refunding Revenue Bonds, Series 1996A	6,455,000
Water and Sewerage Refunding Revenue Bonds, Series 2000	16,140,000
Water and Sewerage Refunding Revenue Bonds, Series 2001	11,010,000
Water and Sewerage Refunding Revenue Bonds, Series 2001A	20,745,000
Landfill Revenue Bonds	3,390,000
Total Outstanding Revenue Debt	<u>62,715,000</u>
Bond issue discounts	(54,594)
Deferred loss on refunding	<u>(3,392,998)</u>
	<u>\$ 59,267,408</u>

The annual requirements of principal and interest to amortize each of the County's outstanding revenue debt as of June 30, 2003 are as follows:

Year ending June 30,	<u>Business-type activities</u>		
	<u>Revenue Bond Debt</u>		
	Principal	Interest	Total
2004	\$ 3,705,000	\$ 2,972,546	\$ 6,677,546
2005	3,965,000	2,789,570	6,754,570
2006	4,275,000	2,589,769	6,864,769
2007	3,210,000	2,408,423	5,618,423
2008	3,405,000	2,253,001	5,658,001
2009 - 2013	19,595,000	8,876,461	28,471,461
2014 - 2018	11,495,000	4,896,390	16,391,390
2019 - 2023	8,770,000	2,708,550	11,478,550
2024 - 2025	4,295,000	357,775	4,652,775
	<u>\$ 62,715,000</u>	<u>\$ 29,852,485</u>	<u>\$ 92,567,485</u>

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 7 - Long-term and short-term obligations (continued)

E. Notes Payable

The Water and Sewerage System has entered into agreements with the Georgia Environmental Facilities Authority (GEFA) whereby the System receives a loan for each agreement to assist in various pre-approved construction projects. Notes payable to the Georgia Environmental Facilities Authority are as follows:

The \$226,569 note payable to GEFA, with quarterly payments of \$4,728, including principal and interest at 6.8%.	\$ 129,055
The \$707,006 note payable to GEFA, with quarterly payments of \$15,235, including principal and interest at 6.0%.	272,706
The \$646,607 note payable to GEFA, with quarterly payments of \$13,158, including principal and interest at 5.3%.	268,997
The \$1,000,000 note payable to GEFA, with quarterly payments of \$21,985, including principal and interest at 6.25%.	563,502
The \$1,569,027 note payable to GEFA, under the State of Georgia Revolving Loan Fund Program with quarterly payments of \$23,845, including principal and interest at 2.0%.	<div style="text-align: right;">823,349</div> <div style="text-align: right;">\$ <u>2,057,609</u></div>

The annual requirements of principal and interest to amortize each of the County's outstanding notes payable as of June 30, 2003 are as follows:

Year ending June 30,	<u>Business-Type Activities</u>		
	<u>Notes Payable</u>		
	Principal	Interest	Total
2004	\$ 228,607	\$ 87,194	\$ 315,801
2005	239,301	76,500	315,801
2006	250,585	65,216	315,801
2007	262,493	53,308	315,801
2008	275,064	40,737	315,801
2009 - 2013	801,559	61,689	863,248
	<u>\$ 2,057,609</u>	<u>\$ 384,644</u>	<u>\$ 2,442,253</u>

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 7 - Long-term and short-term obligations (continued)

F. Refunding and Advance Refunding

In 1993, the Water and Sewerage System refunded the Series 1988, Water and Sewerage Refunding Revenue Bonds with the \$10,735,000 Series 1993, Water and Sewerage Refunding Revenue Bonds. As a result, the refunded bonds are no longer a liability of the System.

In 1996, the Water and Sewerage System advance refunded the Series 1991A, Water and Sewerage Revenue Bonds with the \$6,970,000 Series 1996A, Water and Sewerage Refunding Revenue Bonds. The System issued bonds to provide resources to purchase direct obligations of the United States of America which were placed in an irrevocable escrow account with an escrow agent to defease the maturities.

The escrow obligations, together with the earnings thereon, were sufficient to pay the redemption price of the bonds on June 1, 2001. As a result, the refunded bonds are no longer a liability of the System and have no outstanding principal at June 30, 2003.

On September 26, 2001, the County issued Water and Sewerage Refunding Revenue Bonds in the aggregate principal amount of \$12,155,000, with interest rates ranging from 3% - 4.25%, to refund \$11,850,000 of outstanding 1992 Water and Sewerage Revenue Bonds with interest rates ranging from 5.7% to 6.25%. The net proceeds of \$12,022,027 (after payment of \$190,901 of underwriting fees and other issuance costs) plus an additional \$430,053 of the 1992 Series sinking fund monies were used to repay the 1992 Water and Sewerage Revenue Bonds.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$955,029. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2012 using the straight-line method, which is not significantly different from the effective-interest method. The County completed the refunding to reduce its total debt service payments over the next 11 years by approximately \$1.3 million and to obtain an economic gain (difference between present values of the old and new debt service payments) of approximately \$1.4 million.

On October 17, 2001, the County issued Water and Sewerage Refunding Revenue Bonds in the aggregate principal amount of \$21,020,000 with interest rates ranging from 3% to 4.7%, to advance refund a portion (\$10,395,000) of outstanding 1996 Water and Sewerage Revenue Bonds with interest rates ranging from 5.15% to 5.7%, and to advance refund a portion (\$8,510,000) of outstanding 2000 Water and Sewerage Revenue Bonds with interest rates ranging from 5% to 6.25%. The net proceeds of \$20,629,262 (after payment of \$307,173 of underwriting fees and other issuance costs) plus an additional \$366,112 of the debt service fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for the refunded portions' debt service payments on the 1996 Series bonds and the 2000 Series bonds. As a result, the refunded portions of the 1996 Series bonds and the 2000 Series bonds are considered to be defeased and the liability for those bonds have been reduced by the refunded portions.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,512,970. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2018 using the straight-line method, which is not significantly different from the effective-interest method. The advance refunding increased the County's total debt service payments over the next 24 years by approximately \$775,000 and resulted in an economic loss (difference between present values of the old and new debt service payments) of approximately \$2.5 million guaranteed under an insurance policy issued with the delivery of the Series 1994 Bonds by Municipal Bond Investors Assurance Corporation.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 7 - Long-term and short-term obligations (continued)

G. Capitalized lease obligations

The County has entered into agreements for the lease of certain machinery and equipment. The term of each agreement provides options to purchase the machinery and equipment at any time during the period of the lease. The leases meet the criteria of capital leases as defined by Statements of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee.

The capitalized leases at June 30, 2003 are shown in the financial statements as follows:

	Business-type Activities
Machinery and equipment	\$ <u>497,573</u>

The following is a schedule by year of future lease payments:

Year Ending June 30	Business-type Activities
2004	\$ 127,123
2005	58,123
2006	<u>122,187</u>
Total minimum lease payments	307,433
Amount representing interest	<u>(26,577)</u>
Present value of minimum lease payments	\$ <u>280,856</u>

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 7 - Long-term and short-term obligations (continued)

H. Changes in long-term liabilities

The following is a summary of long-term debt transactions of the year ended June 30, 2003:

	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion
Governmental activities:					
Bonds payable:					
General obligation bonds payable	\$ 28,245,000	\$ -	\$ (350,000)	\$ 27,895,000	\$ 425,000
Other liabilities:					
Compensated absences	1,446,691	1,257,186	(1,339,094)	1,364,783	1,133,000
Capital leases	895,259	-	(895,259)	-	-
Total other liabilities	<u>2,341,950</u>	<u>1,257,186</u>	<u>(2,234,353)</u>	<u>1,364,783</u>	<u>1,133,000</u>
Governmental activities long-term liabilities	<u>\$ 30,586,950</u>	<u>\$ 1,257,186</u>	<u>\$ (2,584,353)</u>	<u>\$ 29,259,783</u>	<u>\$ 1,558,000</u>
Business-type activities:					
Revenue debt:					
Water and Sewerage Refunding Bonds:					
Series 1993	\$ 5,480,000	\$ -	\$ (740,000)	\$ 4,740,000	\$ 785,000
Series 1996	885,000	-	(650,000)	235,000	160,000
Series 1996A	6,545,000	-	(90,000)	6,455,000	610,000
Series 2000	16,365,000	-	(225,000)	16,140,000	275,000
Series 2001	11,705,000	-	(695,000)	11,010,000	715,000
Series 2001A	20,885,000	-	(140,000)	20,745,000	145,000
Less deferred amounts:					
For bond issuance discounts	(61,090)	(4,923)	11,419	(54,594)	
For deferred loss on refunding	(3,920,089)		527,091	(3,392,998)	
Landfill Revenue Bonds	<u>4,280,000</u>	<u>-</u>	<u>(890,000)</u>	<u>3,390,000</u>	<u>1,015,000</u>
Total revenue debt	<u>62,163,821</u>	<u>(4,923)</u>	<u>(2,891,490)</u>	<u>59,267,408</u>	<u>3,705,000</u>
Other liabilities:					
Water and Sewerage Notes Payable to GEFA	2,276,077	-	(218,468)	2,057,609	228,607
Capital leases	345,362	-	(64,506)	280,856	113,074
Compensated absences	350,117	37,197	(118,915)	268,399	268,399
Liability for landfill closure and postclosure care costs	<u>4,539,152</u>	<u>5,165,984</u>	<u>(16,316)</u>	<u>9,688,820</u>	<u>-</u>
Total other liabilities	<u>7,510,708</u>	<u>5,203,181</u>	<u>(418,205)</u>	<u>12,295,684</u>	<u>610,080</u>
Business-type activities long-term liabilities	<u>\$ 69,674,529</u>	<u>\$ 5,198,258</u>	<u>\$ (3,309,695)</u>	<u>\$ 71,563,092</u>	<u>\$ 4,315,080</u>

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 7 - Long-term and short-term obligations (continued)

I. Discretely presented component units

Development Authority Taxable Revenue Bonds, Series 1993

During 1986, the Development Authority of Columbia County issued \$1,120,000 Industrial Development Revenue Bonds, Series 1986. During 1992, the Development Authority obtained a loan with a bank which it used to pay off the Series 1986 Bonds. During 1993, the Development Authority issued \$7,515,000 Development Authority of Columbia County, Georgia, Industrial Park Taxable Revenue Bonds, Series 1993. A portion of the proceeds in the amount of \$705,171 was used to pay off the bank loan mentioned above. The remaining proceeds were used for various improvements to the existing industrial park sites. The improvements included the provision of water, sewerage, drainage and similar facilities and transportation, power and communication facilities which are incidental to the use of such land as industrial parks but, except with respect to such facilities, does not include the provision of structures or buildings. The Development Authority has the right to acquire up to 100 acres of additional land contiguous to the 284 acres fronting on Lewiston and Wrightsboro Roads, and to develop such additional land as part of that industrial site.

The Series 1993 Bonds are limited, special obligations of the Authority and are secured by a letter of credit issued by SunTrust, Atlanta, Georgia, and from payments received under an Intergovernmental Agreement for the development and marketing of an industrial park between the Development Authority and Columbia County.

Interest on the Series 1993 Bonds is to be paid monthly. The interest rate is adjusted weekly in connection with the bond market fluctuations. Principal is due on March 1 of each year. At June 30, 2003, the outstanding balance of this Revenue Bond amounted to \$4,445,000.

Development Authority Taxable Refunding Revenue Bond, Series 2001

The Development Authority of Columbia County has authorized the issuance of the Development Authority of Columbia County, Georgia, Industrial Building Taxable Refunding Revenue Bond, Series 2001, in the amount of \$1,800,000. The Bond bears interest at a rate of 5.69% per annum. Interest only is paid on June 30 and December 31 of every year commencing on June 30, 2001. The entire principal amount is due and payable on December 31, 2003. The Refunding Bond is issued for the purpose of refunding the Development Authority Taxable Revenue Bond, Series 1997, the proceeds of which were used to finance the construction and development of a building suitable for use as a manufacturing facility on property owned by the Development Authority in the Horizon South Industrial Park in Columbia County, Georgia, and paying necessary expenses incidental thereto (the "Project"). The Project was developed pursuant to the terms of an "Intergovernmental Agreement for Industrial Development through the Construction of Building Suitable for Use as a Manufacturing Facility to be Available for Sale or Lease", as amended. Pursuant to this agreement, the Development Authority agreed to develop the Project and the County agreed to make certain payments to the Development Authority in amounts sufficient to provide for the payment of principal and interest on the Bond when due to the extent funds are not available from other money of the Development Authority. The Bond is secured by an assignment of the revenues of the Agreement and is subject to redemption in whole or in part by the Authority without penalty. The Bond Holder has agreed to purchase from the Authority the Bond at a purchase price of \$1,800,000. The Bond shall become immediately due and payable in the event the issuer sells the Project. During the year ended June 30, 2003, the outstanding balance of this Refunding Bond was paid in full.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 7 - Long-term and short-term obligations (continued)

The annual requirements of principal and interest to amortize the Development Authority's outstanding revenue debt as of June 30, 2003 are as follows:

Year ending June 30,	<u>Development Authority</u> <u>Taxable Revenue Bonds,</u> <u>Series 1993</u>		
	Principal	Interest	Total
2004	\$ 550,000	\$ 69,300	\$ 619,300
2005	575,000	72,450	647,450
2006	625,000	78,450	703,450
2007	665,000	83,790	748,790
2008	715,000	90,090	805,090
2009 - 2010	1,315,000	165,690	1,480,690
	<u>\$ 4,445,000</u>	<u>\$ 559,770</u>	<u>\$ 5,004,770</u>

The following is a summary of long-term debt transactions for the discretely presented component units for the year ended June 30, 2003:

	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion
Development Authority					
Revenue debt:					
Taxable Revenue bonds, Series 1993	\$ 4,960,000	\$ -	\$ (515,000)	\$ 4,445,000	\$ 550,000
Taxable Refunding Revenue bond, Series 2001	1,800,000	-	(1,800,000)	-	-
Total revenue debt	6,760,000	-	(2,315,000)	4,445,000	550,000
Development Authority long-term liabilities	<u>\$ 6,760,000</u>	<u>\$ -</u>	<u>\$ (2,315,000)</u>	<u>\$ 4,445,000</u>	<u>\$ 550,000</u>
Board of Health					
Other liabilities:					
Compensated absences	\$ 79,095	\$ 6,580	\$ -	\$ 85,675	\$ 85,675
Total other liabilities	79,095	6,580	-	85,675	85,675
Board of Health long-term liabilities	<u>\$ 79,095</u>	<u>\$ 6,580</u>	<u>\$ -</u>	<u>\$ 85,675</u>	<u>\$ 85,675</u>

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 8 - Deferred/unearned revenues

The balance of deferred revenues in the fund financial statements (includes both the deferred and unearned amounts disclosed below) and unearned revenues in the government-wide financial statements at year-end is composed of the following elements:

	Deferred Revenue	Unearned Revenue
Taxes receivable net of allowance, unavailable - General Fund	\$ 294,414	\$ -
Taxes receivable net of allowance, unavailable - Special Revenue Fund	6,192	-
Taxes receivable net of allowance, unavailable - Debt Service Fund	19,724	-
Grant income received in advance of being earned - Special Revenue Fund	-	633,949
Rental income received in advance of being earned - Special Revenue Fund	-	45,320
	<u>\$ 320,330</u>	<u>\$ 679,269</u>

Note 9 - Landfill closure and postclosure care cost

State and Federal laws and regulations require that the County place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the County is required to report a portion of these costs as operating expense in each period based on landfill capacity used as of each balance sheet date. After the initial calculation of the current closure and postclosure care costs, these costs are required to be adjusted annually for the effects of inflation or deflation, technology, or applicable laws or regulations.

Closed unlined cell

The estimated liability for landfill closure and postclosure care costs of the cell has a balance of \$1,387,143, which is based on 100% usage (filled) of the cell. The County no longer accepts waste at the cell location.

The County expects that future costs will be paid from earnings in the Solid Waste Management Fund.

D cell

The estimated liability for landfill closure and postclosure care costs of the D cell has a balance of \$8,301,677 as of June 30, 2003, which is based on 90% usage (filled) of the D cell. Estimated total cost of the D cell closure and postclosure care is \$9,224,085 and will be accrued ratably based on the usage over ten years, which is the estimated life of the D cell, beginning with the fiscal year ended June 30, 1996.

The County expects to finance the costs for the estimated landfill closure and postclosure care costs as they become due during the coming years through the operations of the landfill.

Note 10 - Conduit debt obligations

From time to time, the Development Authority of Columbia County has issued tax exempt industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the Development Authority, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2003, there were five series of Development Authority tax exempt industrial revenue bonds outstanding, with an aggregate principal amount of \$58,568,200.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 11 - Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government is a member of a public entity risk pool. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. As of June 30, 2003, the County had recorded no liability for claims.

The County has joined together with other municipalities in the state as part of the Association of County Commissioners of Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund (ACCG-IRMA) and the ACCG Group Self-Insurance Workers Compensation Fund (ACCG-GSIWCF), a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agent and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

As a participant in the ACCG-GSIWCF, which also provides claims administration and loss control services, the County has a \$200,000 loss retention. This program is accounted for in the General Fund. Premiums are paid into the General Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditure reported in the General Fund.

Changes in the balances of worker's compensation claims during fiscal years 2003 and 2002 are as follows:

	<u>2003</u>	<u>2002</u>
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Incurred claims	175,991	112,419
Claim payments	<u>(175,991)</u>	<u>(112,419)</u>
Unpaid claims, end of year	\$ <u>-</u>	\$ <u>-</u>

During 1994, Columbia County entered into an agreement with the ACCG-IRMA to provide coverages for property, automobile, general liability, law enforcement liability, public officials liability, crime and boiler and machinery exposures. The County has a loss retention of \$50,000 per occurrence. The County separately budgets funds for claims for which no governmental immunity exists, and other claims which the County deems appropriate for payment. This program is accounted for in the Risk Management Fund, an Internal Service Fund.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 11 - Risk management (continued)

Changes in the balances of property and liability claims during fiscal years 2003 and 2002 are as follows:

	2003	2002
Unpaid claims, beginning of fiscal year	\$ 25,621	\$ 1,674
Incurred claims	335,509	350,178
Claim payments	(357,444)	(326,231)
Unpaid claims, end of year	\$ 3,686	\$ 25,621

The County made no reduction in its insurance coverage during the year ended June 30, 2003. During the past three years claims have not exceeded insurance coverage. The County believes that the insurance coverage is adequate.

The County accounts for the financial operations of a self-insured employee group health program in an Internal Service Fund. Specific stop loss coverage in the amount of \$50,000 per covered individual is maintained to reduce the exposure from catastrophic claims. A third party administrator is employed to process claims for the program. Claims "incurred but not reported" are accounted for as accrued expenses in the Internal Service Fund in accordance with FASB Statement No. 5.

Changes in the balances of medical claims during the fiscal years 2003 and 2002 are as follows:

	2003	2002
Unpaid claims, beginning of fiscal year	\$ 9,566	\$ 179,298
Incurred claims	2,610,060	1,981,692
Claim payments	(2,437,192)	(2,151,424)
Unpaid claims, end of year	\$ 182,434	\$ 9,566

Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's management and counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

Note 12 - Pension plans

Defined Contribution Plan

The County and its qualified employees participate in the Columbia County Money Purchase Retirement Plan.

At June 30, 2003, 98% or 680 of the County's 697 employees were participants in the defined contribution plan.

The payroll for all employees for the year ended June 30, 2003, amounted to \$21,675,919. All regular employees who work more than 1,000 hours during the calendar year are eligible to participate in the plan. The payroll for covered employees amounted to \$21,595,683 for the year ended June 30, 2003. During the year ended June 30, 2003 the County contributed \$2,123,478 to the defined contribution plan, or approximately 10% of the covered payroll. The defined contribution plan assets at June 30, 2003, are as follows:

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 12 - Pension plans (continued)

Money Funds	\$ 1,660,288
Insurance Contracts	2,541,268
Mutual Funds	<u>5,411,931</u>
Total assets	\$ <u>9,613,487</u>

Plan assets are reported at fair value for financial reporting purposes.

The maximum contribution by the County to an employee's retirement account is 8%, which consists of (a) a base amount equal to 4% of the annual salary of an employee plus (b) a matching contribution equal to one half the amount an employee voluntarily contributes into the deferred compensation plan, up to a maximum of 4% of the employee's annual salary. The vesting schedule for the employer portion of the contribution is as follows:

Year 1	0%
Year 2	25%
Year 3	50%
Year 4	75%
Year 5	100%

Investment options under the plan consist of a fixed annuity option which provides a guaranteed rate of return and a variable annuity option for employees willing to assume increased investment risk in exchange for a potentially higher rate of return. Employees may change the investment option where future deposits will be invested, or move money from one option to another. The plan is administered by Government Employees Benefit Corporation of Georgia.

Deferred Compensation Plan

The County has adopted a deferred compensation plan, the Columbia County Deferred Compensation Plan, in accordance with Section 457 of the Internal Revenue Code. The plan allows any employee participant to voluntarily defer up to 25% of the participant's gross compensation not to exceed \$12,000 per year. All administration costs of the plan are deducted from the participants' accounts. Benefit payments are payable upon termination of employment, unforeseeable emergency, retirement or death. The Custodial Account Agreement requires the County set aside assets and income from the plan in trust for the exclusive benefit of the participants and their beneficiaries. The County is in compliance with the agreement.

The County believes that it has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

Investments are managed by the Plan Administrator under one of three investment options, or a combination thereof. The available options include fixed annuity, variable annuity and universal life insurance. The choice of the investment option(s) is made by the participant.

At June 30, 2003, 82% or 573 of the County's 697 employees were participants in the deferred compensation plan.

The employees of the County contributed \$1,422,304 to the deferred compensation plan during the year ended June 30, 2003.

The County has amended its plan to comply with the requirements of subsection (g) of Internal Revenue Code Section 457 and it has adopted GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. All assets and income of the plan described in subsection (b)(6) are held in trust for the exclusive benefit of the participants and their beneficiaries.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 13 – Construction commitments

The County has active construction projects as of June 30, 2003. The projects include construction of water and waste water facilities, a County library and office expansion, road improvements, and recreational facilities. At year end the County's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Halali Farm Road Storage Tanks	\$ 1,196,799	\$ 2,784,600
Little River Waste Water Plant Expansion	707,053	6,233,665
Blanchard Plant Expansion Phase I & II	4,790,247	7,041,045
Raw Water Pump Station	1,574,856	791,041
Main Library and County Office Additions	2,480,776	8,641,829
Recreational Facilities and Parks	1,176,421	2,103,838
Road improvement construction	1,179,043	1,343,994
Road paving construction	285,832	2,510,272
Total	<u>\$ 13,391,027</u>	<u>\$ 31,450,284</u>

Note 14 - Hotel/motel lodging tax

Columbia County has levied a 5% lodging tax pursuant to Official Code of Georgia Annotated (O.C.G.A.) 48-13-51. The County has entered into a contract with the Augusta Metropolitan Convention and Visitors Bureau, Inc. (AMCVB) to be the principal provider of convention and tourist promotion services. The County has received an audit report from the AMCVB for expenditure of the lodging tax monies, which were used for the promotion of tourism as required by O.C.G.A. 48-13-51. In prior years, the receipts and disbursements for these monies were accounted for in the General Fund. During the year ended June 30, 2001, a special revenue fund was created to account for the lodging tax monies. A summary of the transactions for the year ended June 30, 2003 follows:

Lodging tax receipts	\$ 261,393
Disbursements for promotion of tourism	<u>(150,010)</u>
Balance of lodging tax funds on hand at end of year	<u>\$ 111,383</u>

Note 15 - Joint venture

Under Georgia law, the County, in conjunction with other cities and counties in the Central Savannah River Area, is a member of the Central Savannah River Area Regional Development Center (RDC) and is required to pay annual dues thereto. During its year ended June 30, 2003, the County paid \$61,039 in such dues. Membership in the RDC is required by the O.C.G.A. Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. 50-8-39.1 provides that the member governments are liable for any debts or obligations of the RDC. Separate financial statements may be obtained from:

Central Savannah River Area
Regional Development Center
Augusta, Georgia 30903

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2003

Note 16 – Significant contingencies

Federal and State assisted programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

Claims and judgments

The County is a defendant in various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these matters will not have a material adverse effect on the financial condition of the County.

Arbitrage

The County's bond issues are subject to federal arbitrage regulations, and the County has elected to review its potential arbitrage liability annually on the bond issue dates. The arbitrage rebate payments are payable on the fifth anniversary of the bond issue date and every fifth year subsequent to that date. Although the actual amount to be paid is not presently determinable, the County believes that arbitrage payables are not significant.

Note 17 – Prior period adjustments

In the prior year, the County expensed certain capital expenditures totaling \$426,444 in the Water and Sewerage fund, resulting in an understatement of property, plant and equipment and an understatement of net income in the fund. The County also did not record amortization of \$210,591 on certain deferred charges in the Water and Sewerage fund, resulting in an overstatement of the unamortized value of the deferred charges and an overstatement of net income in the fund. An adjustment, which included a net increase to fund equity of \$215,853 as of the beginning of the year, was made to correct these errors in the accompanying financial statements.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS**

GENERAL FUND

COLUMBIA COUNTY, GEORGIA

General Fund by Object

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual Amount	Variance with Final Budget - Positive (Negative)
Revenues			
Taxes - property			
Property tax	\$ 13,980,252	\$ 13,743,307	\$ (236,945)
Motor vehicle tax and penalties	2,162,172	2,555,361	393,189
Mobile home tax	80,000	84,963	4,963
Timber tax	42,625	37,647	(4,978)
Interest and penalties	100,000	173,294	73,294
	<u>16,365,049</u>	<u>16,594,572</u>	<u>229,523</u>
 Taxes - other than property			
Occupation tax	495,000	579,150	84,150
Real estate transfer tax	115,000	222,449	107,449
Alcohol tax	650,000	734,438	84,438
Sales tax	9,066,485	9,188,166	121,681
Recording intangibles	550,000	906,684	356,684
Cablevision	300,000	385,000	85,000
Other	-	5,552	5,552
	<u>11,176,485</u>	<u>12,021,439</u>	<u>844,954</u>
 Licenses and permits			
Alcohol licenses	200,000	203,605	3,605
Other	8,300	14,347	6,047
	<u>208,300</u>	<u>217,952</u>	<u>9,652</u>
 Intergovernmental			
General overhead	1,260,391	1,450,171	189,780
Juvenile Court	25,000	24,528	(472)
Emergency Management Agency	10,390	10,390	-
Roads and bridges	643,832	903,494	259,662
Public transit	80,640	53,244	(27,396)
	<u>2,020,253</u>	<u>2,441,827</u>	<u>421,574</u>
 Charges for services			
Commissions	814,400	1,135,355	320,955
Sheriff	83,242	127,532	44,290
Recreation	471,200	335,485	(135,715)
Clerk of Superior Court	300,000	434,226	134,226
Probate Court	100,000	71,468	(28,532)
Magistrate Court	70,000	109,346	39,346
Wildwood Park	76,000	64,167	(11,833)
Planning and development	130,000	147,682	17,682
Other	107,000	115,495	8,495
	<u>2,151,842</u>	<u>2,540,756</u>	<u>388,914</u>
 Fines and forfeitures			
Clerk of Superior Court	500,000	750,677	250,677
Probate Court	1,200,000	989,227	(210,773)
Magistrate Court	150,000	54,426	(95,574)
Other	15,000	27,978	12,978
	<u>1,865,000</u>	<u>1,822,308</u>	<u>(42,692)</u>

COLUMBIA COUNTY, GEORGIA

General Fund by Object - Continued

**Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual**

For the Fiscal Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues (Continued)			
Investment income			
Interest	\$ 551,200	\$ 256,274	\$ (294,926)
Contributions and donations			
Developer reimbursements	10,000	8,535	(1,465)
Donations	42,000	10,501	(31,499)
	<u>52,000</u>	<u>19,036</u>	<u>(32,964)</u>
Other			
Rental	222,720	177,039	(45,681)
Other	1,334,738	174,866	(1,159,872)
	<u>1,557,458</u>	<u>351,905</u>	<u>(1,205,553)</u>
Total revenues	\$ 35,947,587	\$ 36,266,069	\$ 318,482
Expenditures			
General government			
Board of Commissioners			
Personal service	\$ 149,628	\$ 162,992	\$ (13,364)
Operating	1,502,514	1,554,731	(52,217)
Capital improvements	47,000	-	47,000
	<u>1,699,142</u>	<u>1,717,723</u>	<u>(18,581)</u>
Finance			
Personal service	349,803	333,777	16,026
Operating	61,718	58,806	2,912
Capital Improvements	2,700	-	2,700
	<u>414,221</u>	<u>392,583</u>	<u>21,638</u>
Human Resources			
Personal service	231,534	244,435	(12,901)
Operating	249,643	252,880	(3,237)
Capital improvements	12,995	12,995	-
	<u>494,172</u>	<u>510,310</u>	<u>(16,138)</u>
Procurement/Distribution			
Personal service	272,715	284,942	(12,227)
Operating	68,144	61,246	6,898
Capital improvements	11,200	-	11,200
	<u>352,059</u>	<u>346,188</u>	<u>5,871</u>
Information technology			
Personal service	701,489	716,275	(14,786)
Operating	705,389	936,028	(230,639)
Capital improvements	501,042	192,756	308,286
	<u>1,907,920</u>	<u>1,845,059</u>	<u>62,861</u>
County Administrator			
Personal service	116,406	125,072	(8,666)
Operating	21,990	17,008	4,982
	<u>138,396</u>	<u>142,080</u>	<u>(3,684)</u>

COLUMBIA COUNTY, GEORGIA
General Fund by Object - Continued
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual Amount	Variance with Final Budget - Positive (Negative)
Expenditures (Continued)			
General government (Continued)			
Tax Commissioner			
Personal service	\$ 714,234	\$ 703,733	\$ 10,501
Operating	179,440	217,718	(38,278)
	<u>893,674</u>	<u>921,451</u>	<u>(27,777)</u>
Tax Assessor			
Personal service	631,347	636,297	(4,950)
Operating	140,888	109,698	31,190
Capital improvements	48,212	48,353	(141)
	<u>820,447</u>	<u>794,348</u>	<u>26,099</u>
Engineering services			
Personal service	546,333	499,445	46,888
Operating	80,575	115,830	(35,255)
Capital improvements	2,500	-	2,500
	<u>629,408</u>	<u>615,275</u>	<u>14,133</u>
Board of Elections			
Personal service	116,838	117,525	(687)
Operating	230,236	211,139	19,097
	<u>347,074</u>	<u>328,664</u>	<u>18,410</u>
Management services			
Personal service	177,347	149,970	27,377
Operating	14,790	12,016	2,774
Capital improvements	2,000	-	2,000
	<u>194,137</u>	<u>161,986</u>	<u>32,151</u>
Total general government	<u>7,890,650</u>	<u>7,775,667</u>	<u>114,983</u>
Judicial system			
Superior Court			
Personal service	507,843	512,725	(4,882)
Operating	458,281	377,504	80,777
Capital improvements	21,626	10,059	11,567
	<u>987,750</u>	<u>900,288</u>	<u>87,462</u>
Probate Court			
Personal service	479,791	455,905	23,886
Operating	109,030	77,303	31,727
Capital improvements	5,000	-	5,000
	<u>593,821</u>	<u>533,208</u>	<u>60,613</u>
Juvenile Court/Youth			
Personal service	235,296	197,846	37,450
Operating	113,832	155,539	(41,707)
	<u>349,128</u>	<u>353,385</u>	<u>(4,257)</u>
Magistrate Court			
Personal service	551,602	584,388	(32,786)
Operating	95,577	91,863	3,714
Capital improvements	80,434	71,273	9,161
	<u>727,613</u>	<u>747,524</u>	<u>(19,911)</u>

COLUMBIA COUNTY, GEORGIA
General Fund by Object - Continued
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual Amount	Variance with Final Budget - Positive (Negative)
Expenditures (Continued)			
District attorney			
Operating	278,000	279,073	(1,073)
Total judicial system	2,936,312	2,813,478	122,834
Public safety			
Sheriff			
Personal service	7,183,072	6,932,594	250,478
Operating	1,500,633	1,276,155	224,478
Capital improvements	932,225	861,397	70,828
	9,615,930	9,070,146	545,784
Emergency services			
Personal service	169,936	155,082	14,854
Operating	54,488	66,318	(11,830)
Capital improvements	13,227	13,227	-
	237,651	234,627	3,024
Jail			
Personal service	3,865,579	3,963,114	(97,535)
Operating	1,327,166	1,151,782	175,384
Capital improvements	126,250	119,622	6,628
	5,318,995	5,234,518	84,477
Emergency Medical Service			
Operating	434,864	434,864	-
Animal care and control			
Personal service	318,981	334,827	(15,846)
Operating	81,817	76,519	5,298
Capital improvements	56,626	42,526	14,100
	457,424	453,872	3,552
Coroner			
Personal service	47,725	46,942	783
Operating	35,407	32,132	3,275
Capital improvements	7,692	7,711	(19)
	90,824	86,785	4,039
Total public safety	16,155,688	15,514,812	640,876

COLUMBIA COUNTY, GEORGIA

General Fund by Object - Continued

**Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual**

For the Fiscal Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Expenditures (Continued)			
Public works			
Roads and bridges			
Personal service	\$ 1,599,979	\$ 1,592,471	\$ 7,508
Operating	729,248	697,903	31,345
Capital improvements	113,578	113,860	(282)
	<u>2,442,805</u>	<u>2,404,234</u>	<u>38,571</u>
Central shop			
Personal service	429,336	352,259	77,077
Operating	94,842	68,189	26,653
Capital improvements	15,964	7,990	7,974
	<u>540,142</u>	<u>428,438</u>	<u>111,704</u>
General maintenance			
Personal service	301,295	303,876	(2,581)
Operating	250,818	262,568	(11,750)
Capital improvements	29,802	26,051	3,751
	<u>581,915</u>	<u>592,495</u>	<u>(10,580)</u>
 Total public works	 <u>3,564,862</u>	 <u>3,425,167</u>	 <u>139,695</u>
 Health and welfare			
Public health			
Operating	400,228	400,323	(95)
 Family and children services			
Operating	76,852	73,085	3,767
 Senior Center			
Personal service	170,754	167,718	3,036
Operating	134,993	147,374	(12,381)
Capital improvements	19,637	19,637	-
	<u>325,384</u>	<u>334,729</u>	<u>(9,345)</u>
 Public transit			
Personal service	141,599	117,750	23,849
Operating	32,369	27,775	4,594
	<u>173,968</u>	<u>145,525</u>	<u>28,443</u>
 Total health and welfare	 <u>976,432</u>	 <u>953,662</u>	 <u>22,770</u>

COLUMBIA COUNTY, GEORGIA

General Fund by Object - Continued

**Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual**

For the Fiscal Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Expenditures (Continued)			
Culture and recreation			
Recreation			
Personal service	\$ 947,582	\$ 928,236	\$ 19,346
Operating	677,729	680,134	(2,405)
Capital improvements	8,000	-	8,000
	<u>1,633,311</u>	<u>1,608,370</u>	<u>24,941</u>
Wildwood Park			
Personal service	25,845	32,317	(6,472)
Operating	38,414	36,136	2,278
Capital improvements	8,000	-	8,000
	<u>72,259</u>	<u>68,453</u>	<u>3,806</u>
Library			
Personal service	366,412	371,431	(5,019)
Operating	283,721	274,519	9,202
	<u>650,133</u>	<u>645,950</u>	<u>4,183</u>
Community services			
Personal service	156,308	115,935	40,373
Operating	27,096	18,277	8,819
	<u>183,404</u>	<u>134,212</u>	<u>49,192</u>
 Total culture and recreation	 <u>2,539,107</u>	 <u>2,456,985</u>	 <u>82,122</u>
Housing and development			
Extension service			
Personal service	60,292	59,448	844
Operating	52,929	53,764	(835)
	<u>113,221</u>	<u>113,212</u>	<u>9</u>
Forestry			
Operating	7,890	7,554	336
Capital improvements	14,424	14,424	-
	<u>22,314</u>	<u>21,978</u>	<u>336</u>
Geographic information systems			
Operating	321,200	384,050	(62,850)
Capital improvements	20,000	7,280	12,720
	<u>341,200</u>	<u>391,330</u>	<u>(50,130)</u>
Planning and development			
Personal service	498,452	485,018	13,434
Operating	196,067	91,881	104,186
Capital improvements	11,382	11,382	-
	<u>705,901</u>	<u>588,281</u>	<u>117,620</u>
Economic development			
Operating	<u>1,151,396</u>	<u>672,846</u>	<u>478,550</u>
 Total housing and development	 <u>2,334,032</u>	 <u>1,787,647</u>	 <u>546,385</u>

COLUMBIA COUNTY, GEORGIA
General Fund by Object - Concluded
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Final Budget	Actual Amount	Variance with Final Budget - Positive (Negative)
Expenditures (Continued)			
Total expenditures	\$ 36,397,083	\$ 34,727,418	\$ 1,669,665
Excess of revenues over expenditures	(449,496)	1,538,651	1,988,147
Other financing sources (uses)			
Sale of property	100,000	78,949	(21,051)
Operating transfers in	349,496	275,000	(74,496)
Total other financing sources (uses)	449,496	353,949	(95,547)
Excess of revenues and other sources over expenditures and other uses	-	1,892,600	1,892,600
Fund balance at beginning of year		12,888,742	
Fund balance at end of year		\$ 14,781,342	

NOTE: Expenditures for capital outlay are included within the appropriate function in the preceeding schedule.

NONMAJOR GOVERNMENTAL FUNDS

Columbia County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003

	Capital Projects Funds			
	Special Revenue Funds	Special Local Option Sales Tax Fund 1996-2000	Capital Road/ Drainage Projects Fund	Airport Authority Fund
Assets				
Cash and cash equivalents	\$ 1,741,963	\$ 2,882,609	\$ -	\$ 350
Investments	665,532	-	-	-
Taxes receivable	8,643	-	-	-
Accounts receivable	171,040	-	-	-
Due from other funds	1,508,938	923,029	4,058,270	-
Prepaid items	4,891	-	4,521	-
Total assets	<u>\$ 4,101,007</u>	<u>\$ 3,805,638</u>	<u>\$ 4,062,791</u>	<u>\$ 350</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 129,281	\$ 75,216	\$ 152,010	\$ -
Accrued payroll	58,523	-	4,506	-
Accrued compensated absences	12,193	-	1,687	-
Deferred revenue	685,461	-	-	-
Due to other funds	587,912	46,777	-	-
Accrued interest	-	-	-	-
Total liabilities	<u>1,473,370</u>	<u>121,993</u>	<u>158,203</u>	<u>-</u>
Fund balances:				
Reserved for encumbrances	23,518	2,166,642	82,031	-
Reserved for inventories/prepaid items	4,891	-	4,521	-
Reserved for debt service	-	-	-	-
Unreserved, undesignated	2,599,228	1,517,003	3,818,036	350
Total fund balances	<u>2,627,637</u>	<u>3,683,645</u>	<u>3,904,588</u>	<u>350</u>
Total liabilities and fund balances	<u>\$ 4,101,007</u>	<u>\$ 3,805,638</u>	<u>\$ 4,062,791</u>	<u>\$ 350</u>

General Obligation Bonds Projects Fund	Windmill Sewer Project Fund	Debt Service Fund	Total Nonmajor Governmental Funds
\$ 329,869	\$ 26,416	\$ 694,635	\$ 5,675,842
-	-	-	665,532
-	-	24,792	33,435
-	22,222	-	193,262
24,591	-	16,026	6,530,854
-	-	-	9,412
<u>\$ 354,460</u>	<u>\$ 48,638</u>	<u>\$ 735,453</u>	<u>\$ 13,108,337</u>
\$ 22,781	\$ 22,222	\$ -	\$ 401,510
-	-	-	63,029
-	-	-	13,880
-	-	19,724	705,185
606	-	-	635,295
-	24,433	-	24,433
<u>23,387</u>	<u>46,655</u>	<u>19,724</u>	<u>1,843,332</u>
109,362	-	-	2,381,553
-	-	-	9,412
-	-	715,729	715,729
221,711	1,983	-	8,158,311
<u>331,073</u>	<u>1,983</u>	<u>715,729</u>	<u>11,265,005</u>
<u>\$ 354,460</u>	<u>\$ 48,638</u>	<u>\$ 735,453</u>	<u>\$ 13,108,337</u>

Columbia County, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2003

	Capital Projects Funds			
	Special Revenue Funds	Special Local Option Sales Tax Fund 1996-2000	Capital Road/ Drainage Projects Fund	Airport Authority Fund
Revenues				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - other than property	261,393	-	2,892,954	-
Licenses and permits	805,074	-	-	-
Intergovernmental	409,387	4,582	508,753	-
Charges for services	2,395,167	-	-	-
Fines and forfeitures	421,259	-	-	-
Investment income	48,091	61,703	86,773	1
Contributions and donations	51,254	-	-	-
Other	85,212	-	-	349
Total revenues	<u>4,476,837</u>	<u>66,285</u>	<u>3,488,480</u>	<u>350</u>
Expenditures				
Current:				
General government	368,877	-	-	-
Judicial system	11,264	-	-	-
Public safety	1,058,037	-	-	-
Public works	905,337	-	1,489,598	-
Culture and recreation	239,319	-	-	-
Housing and development	719,613	-	-	-
Miscellaneous	6,284	-	-	-
Capital outlay	424,036	1,542,824	809,915	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>3,732,767</u>	<u>1,542,824</u>	<u>2,299,513</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>744,070</u>	<u>(1,476,539)</u>	<u>1,188,967</u>	<u>350</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(175,000)	-	(453,854)	-
Total other financing sources (uses)	<u>(175,000)</u>	<u>-</u>	<u>(453,854)</u>	<u>-</u>
Net change in fund balances	<u>569,070</u>	<u>(1,476,539)</u>	<u>735,113</u>	<u>350</u>
Fund balances - beginning	<u>2,058,567</u>	<u>5,160,184</u>	<u>3,169,475</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,627,637</u>	<u>\$ 3,683,645</u>	<u>\$ 3,904,588</u>	<u>\$ 350</u>

General Obligation Bonds Projects Fund	Windmill Sewer Project Fund	Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 1,512,099	\$ 1,512,099
-	-	-	3,154,347
-	-	-	805,074
-	-	-	922,722
-	-	-	2,395,167
-	-	-	421,259
3,390	8,492	17,895	226,345
-	-	-	51,254
-	-	-	85,561
<u>3,390</u>	<u>8,492</u>	<u>1,529,994</u>	<u>9,573,828</u>
-	-	-	368,877
-	-	-	11,264
-	-	-	1,058,037
-	-	-	2,394,935
-	-	-	239,319
-	-	-	719,613
-	-	-	6,284
1,392,246	-	-	4,169,021
-	-	350,000	350,000
-	-	1,419,499	1,419,499
<u>1,392,246</u>	<u>-</u>	<u>1,769,499</u>	<u>10,736,849</u>
<u>(1,388,856)</u>	<u>8,492</u>	<u>(239,505)</u>	<u>(1,163,021)</u>
2,753,854	-	-	2,753,854
-	-	(2,400,000)	(3,028,854)
<u>2,753,854</u>	<u>-</u>	<u>(2,400,000)</u>	<u>(275,000)</u>
1,364,998	8,492	(2,639,505)	(1,438,021)
<u>(1,033,925)</u>	<u>(6,509)</u>	<u>3,355,234</u>	<u>12,703,026</u>
<u>\$ 331,073</u>	<u>\$ 1,983</u>	<u>\$ 715,729</u>	<u>\$ 11,265,005</u>

Columbia County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003

	Building Standards Fund	Federal Asset Sharing Fund	State Condemnation Fund
Assets			
Cash and cash equivalents	\$ -	\$ 112,579	\$ 23,620
Investments	-	-	-
Taxes receivable	-	-	-
Accounts receivable	305	-	-
Due from other funds	528,211	-	-
Prepaid items	1,919	-	-
Total assets	\$ 530,435	\$ 112,579	\$ 23,620
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 14,640	\$ -	\$ -
Accrued payroll	23,609	-	-
Accrued compensated absences	5,745	-	-
Deferred revenue	-	-	-
Due to other funds	-	-	-
Total liabilities	43,994	-	-
Fund balances:			
Reserved for encumbrances	12,718	-	-
Reserved for inventories/prepaid items	1,919	-	-
Unreserved, undesignated	471,804	112,579	23,620
Total fund balances	486,441	112,579	23,620
Total liabilities and fund balances	\$ 530,435	\$ 112,579	\$ 23,620

Street Lights Fund	Recreation Advisory Board Fund	911 Fund	Jail Fund
\$ -	\$ 9,678	\$ 359,240	\$ 283,433
-	-	-	-
8,643	-	-	-
-	-	125,263	-
827,123	-	-	15,639
-	-	2,350	-
<u>\$ 835,766</u>	<u>\$ 9,678</u>	<u>\$ 486,853</u>	<u>\$ 299,072</u>
\$ 65,528	\$ -	\$ 3,347	\$ -
-	-	30,188	-
-	-	4,913	-
6,192	-	-	-
-	107	111,636	-
<u>71,720</u>	<u>107</u>	<u>150,084</u>	<u>-</u>
-	-	83	-
-	-	2,350	-
764,046	9,571	334,336	299,072
<u>764,046</u>	<u>9,571</u>	<u>336,769</u>	<u>299,072</u>
<u>\$ 835,766</u>	<u>\$ 9,678</u>	<u>\$ 486,853</u>	<u>\$ 299,072</u>

Continued on the following pages.

Columbia County, Georgia
Combining Balance Sheet - Continued
Nonmajor Special Revenue Funds
June 30, 2003

	Drug Abuse Treatment Fund	Supple- mental Juvenile Services Fund	Community Center Operations Fund
Assets			
Cash and cash equivalents	\$ 24,204	\$ 115,420	\$. 50
Investments	-	-	-
Taxes receivable	-	-	-
Accounts receivable	-	-	13,170
Due from other funds	3,014	2,527	-
Prepaid items	-	-	622
Total assets	\$ 27,218	\$ 117,947	\$ 13,842
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ -	\$ 1,500	\$ 25,063
Accrued payroll	-	-	4,726
Accrued compensated absences	-	-	1,535
Deferred revenue	-	-	45,320
Due to other funds	-	12,301	398,627
Total liabilities	-	13,801	475,271
Fund balances:			
Reserved for encumbrances	-	-	10,257
Reserved for inventories/prepaid items	-	-	622
Fund balance	27,218	104,146	(472,308)
Total fund balances	27,218	104,146	(461,429)
Total liabilities and fund balances	\$ 27,218	\$ 117,947	\$ 13,842

Community Greenspace Fund	Hotel/ Motel Fund	Library Board Fund	Clean and Beautiful Memorial Fund	Total Nonmajor Special Revenue Funds
\$ 698,903	\$ -	\$ 113,811	\$ 1,025	\$ 1,741,963
-	-	665,532	-	665,532
-	-	-	-	8,643
-	24,368	7,934	-	171,040
-	132,424	-	-	1,508,938
-	-	-	-	4,891
<u>\$ 698,903</u>	<u>\$ 156,792</u>	<u>\$ 787,277</u>	<u>\$ 1,025</u>	<u>\$ 4,101,007</u>
\$ -	\$ 19,203	\$ -	\$ -	\$ 129,281
-	-	-	-	58,523
-	-	-	-	12,193
633,949	-	-	-	685,461
65,017	-	224	-	587,912
<u>698,966</u>	<u>19,203</u>	<u>224</u>	<u>-</u>	<u>1,473,370</u>
-	460	-	-	23,518
-	-	-	-	4,891
(63)	137,129	787,053	1,025	2,599,228
(63)	137,589	787,053	1,025	2,627,637
<u>\$ 698,903</u>	<u>\$ 156,792</u>	<u>\$ 787,277</u>	<u>\$ 1,025</u>	<u>\$ 4,101,007</u>

Columbia County, Georgia

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2003**

	Building Standards Fund	Federal Asset Sharing Fund	State Condemnation Fund
Revenues			
Taxes - other than property	\$ -	\$ -	\$ -
Licenses and permits	804,924	-	-
Intergovernmental	16,151	-	-
Charges for services	108,891	-	-
Fines and forfeitures	-	92,227	77,871
Investment income	9,437	221	83
Contributions and donations	-	-	-
Other	968	-	-
Total revenues	<u>940,371</u>	<u>92,448</u>	<u>77,954</u>
Expenditures			
Current:			
General government	-	-	-
Judicial system	-	-	-
Public safety	-	32,180	81,822
Public works	-	-	-
Culture and recreation	-	-	-
Housing and development	719,613	-	-
Miscellaneous	-	-	-
Capital outlay	30,800	-	-
Total expenditures	<u>750,413</u>	<u>32,180</u>	<u>81,822</u>
Excess (deficiency) of revenues over (under) expenditures	<u>189,958</u>	<u>60,268</u>	<u>(3,868)</u>
Other financing sources (uses)			
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	189,958	60,268	(3,868)
Fund balances - beginning	<u>296,483</u>	<u>52,311</u>	<u>27,488</u>
Fund balances - ending	<u>\$ 486,441</u>	<u>\$ 112,579</u>	<u>\$ 23,620</u>

Street Lights Fund	Recreation Advisory Board Fund	911 Fund	Jail Fund
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
877,167	-	1,140,867	-
-	-	-	175,574
19,484	48	1,257	1,120
26,539	-	-	-
-	29,645	-	-
923,190	29,693	1,142,124	176,694
-	-	-	-
-	-	-	-
-	-	944,035	-
905,337	-	-	-
-	35,431	-	-
-	-	-	-
-	-	-	-
-	-	-	-
905,337	35,431	944,035	-
-	-	-	-
17,853	(5,738)	198,089	176,694
-	-	-	(125,000)
-	-	-	(125,000)
17,853	(5,738)	198,089	51,694
746,193	15,309	138,680	247,378
\$ 764,046	\$ 9,571	\$ 336,769	\$ 299,072

Continued on the following pages.

Columbia County, Georgia

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2003**

	Drug Abuse Treatment Fund	Supple- mental Juvenile Services Fund	Community Center Operations Fund
Revenues			
Taxes - other than property	\$ -	\$ -	\$ -
Licenses and permits	-	-	150
Intergovernmental	-	-	-
Charges for services	-	24,910	243,332
Fines and forfeitures	24,482	-	-
Investment income	178	423	-
Contributions and donations	-	-	-
Other	-	-	50,138
Total revenues	<u>24,660</u>	<u>25,333</u>	<u>293,620</u>
Expenditures			
Current:			
General government	-	-	368,877
Judicial system	-	11,264	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Housing and development	-	-	-
Miscellaneous	-	6,284	-
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>17,548</u>	<u>368,877</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,660</u>	<u>7,785</u>	<u>(75,257)</u>
Other financing sources (uses)			
Transfers out	<u>(50,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(25,340)</u>	<u>7,785</u>	<u>(75,257)</u>
Fund balances - beginning	<u>52,558</u>	<u>96,361</u>	<u>(386,172)</u>
Fund balances - ending	<u>\$ 27,218</u>	<u>\$ 104,146</u>	<u>\$ (461,429)</u>

Community Greenspace Fund	Hotel/ Motel Fund	Library Board Fund	Clean and Beautiful Memorial Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ 261,393	\$ -	\$ -	\$ 261,393
-	-	-	-	805,074
393,236	-	-	-	409,387
-	-	-	-	2,395,167
-	-	51,105	-	421,259
-	1,710	14,130	-	48,091
-	1,790	21,900	1,025	51,254
58	-	4,403	-	85,212
393,294	264,893	91,538	1,025	4,476,837
-	-	-	-	368,877
-	-	-	-	11,264
-	-	-	-	1,058,037
-	-	-	-	905,337
-	190,108	13,780	-	239,319
-	-	-	-	719,613
-	-	-	-	6,284
393,236	-	-	-	424,036
393,236	190,108	13,780	-	3,732,767
58	74,785	77,758	1,025	744,070
-	-	-	-	(175,000)
-	-	-	-	(175,000)
58	74,785	77,758	1,025	569,070
(121)	62,804	709,295	-	2,058,567
\$ (63)	\$ 137,589	\$ 787,053	\$ 1,025	\$ 2,627,637

Columbia County, Georgia
Building Standards Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Licenses and permits	\$ 642,966	\$ 804,924	\$ 161,958
Intergovernmental	57,551	16,151	(41,400)
Charges for services	106,600	108,891	2,291
Investment income	-	9,437	9,437
Other	400	968	568
Total revenues	<u>807,517</u>	<u>940,371</u>	<u>132,854</u>
Expenditures			
Current:			
Housing and development	762,517	719,613	42,904
Capital outlay	45,000	30,800	14,200
Total expenditures	<u>807,517</u>	<u>750,413</u>	<u>57,104</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>189,958</u>	<u>\$ 189,958</u>
Fund balance - beginning		<u>296,483</u>	
Fund balance - ending		<u>\$ 486,441</u>	

Columbia County, Georgia
Federal Asset Sharing Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Fines and forfeitures	\$ 5,000	\$ 92,227	\$ 87,227
Investment income	-	221	221
Total revenues	<u>5,000</u>	<u>92,448</u>	<u>87,448</u>
Expenditures			
Current:			
Public safety	<u>5,000</u>	<u>32,180</u>	<u>(27,180)</u>
Total expenditures	<u>5,000</u>	<u>32,180</u>	<u>(27,180)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>60,268</u>	<u>\$ 60,268</u>
Fund balance - beginning		<u>52,311</u>	
Fund balance - ending		<u>\$ 112,579</u>	

Columbia County, Georgia
State Condemnation Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Fines and forfeitures	\$ 30,000	\$ 77,871	\$ 47,871
Investment income	-	83	83
Other	-	-	-
Total revenues	<u>30,000</u>	<u>77,954</u>	<u>47,954</u>
Expenditures			
Current:			
Public safety	<u>30,000</u>	<u>81,822</u>	<u>(51,822)</u>
Total expenditures	<u>30,000</u>	<u>81,822</u>	<u>(51,822)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>(3,868)</u>	<u>\$ (3,868)</u>
Fund balance - beginning		<u>27,488</u>	
Fund balance - ending		<u>\$ 23,620</u>	

Columbia County, Georgia
Street Lights Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Charges for services	\$ 912,716	\$ 877,167	\$ (35,549)
Investment income	7,500	19,484	11,984
Contributions and donations	17,500	26,539	9,039
Total revenues	<u>937,716</u>	<u>923,190</u>	<u>(14,526)</u>
Expenditures			
Current:			
Public works	<u>937,716</u>	<u>905,337</u>	<u>32,379</u>
Total expenditures	<u>937,716</u>	<u>905,337</u>	<u>32,379</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	17,853	<u>\$ 17,853</u>
Fund balance - beginning		<u>746,193</u>	
Fund balance - ending		<u>\$ 764,046</u>	

Columbia County, Georgia
Recreation Advisory Board Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Investment income	\$ -	\$ 48	\$ 48
Other	38,000	29,645	(8,355)
Total revenues	<u>38,000</u>	<u>29,693</u>	<u>(8,307)</u>
Expenditures			
Current:			
Culture and recreation	38,000	35,431	2,569
Total expenditures	<u>38,000</u>	<u>35,431</u>	<u>2,569</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>(5,738)</u>	<u>\$ (5,738)</u>
Fund balance - beginning		<u>15,309</u>	
Fund balance - ending		<u>\$ 9,571</u>	

Columbia County, Georgia
911 Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Charges for services	\$ 1,044,555	\$ 1,140,867	\$ 96,312
Investment income	-	1,257	1,257
Total revenues	<u>1,044,555</u>	<u>1,142,124</u>	<u>97,569</u>
Expenditures			
Current:			
Public safety	<u>1,044,555</u>	<u>944,035</u>	<u>100,520</u>
Total expenditures	<u>1,044,555</u>	<u>944,035</u>	<u>100,520</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>198,089</u>	<u>\$ 198,089</u>
Fund balance - beginning		<u>138,680</u>	
Fund balance - ending		<u>\$ 336,769</u>	

Columbia County, Georgia
Jail Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Fines and forfeitures	\$ 125,000	\$ 175,574	\$ 50,574
Investment income	-	1,120	1,120
Total revenues	<u>125,000</u>	<u>176,694</u>	<u>51,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>125,000</u>	<u>176,694</u>	<u>51,694</u>
Other financing sources (uses)			
Transfers out	(125,000)	(125,000)	-
Total other financing sources (uses)	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>51,694</u>	<u>\$ 51,694</u>
Fund balance - beginning		<u>247,378</u>	
Fund balance - ending		<u>\$ 299,072</u>	

Columbia County, Georgia
Drug Abuse Treatment Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Fines and forfeitures	\$ 50,000	\$ 24,482	\$ (25,518)
Investment income	-	178	178
Total revenues	<u>50,000</u>	<u>24,660</u>	<u>(25,340)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>50,000</u>	<u>24,660</u>	<u>(25,340)</u>
Other financing sources (uses)			
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	-
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(25,340)</u>	<u>\$ (25,340)</u>
Fund balance - beginning		<u>52,558</u>	
Fund balance - ending		<u>\$ 27,218</u>	

Columbia County, Georgia
Supplemental Juvenile Services Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Charges for services	\$ 25,000	\$ 24,910	\$ (90)
Investment income	-	423	423
Total revenues	<u>25,000</u>	<u>25,333</u>	<u>333</u>
Expenditures			
Current:			
Judicial system	13,500	11,264	2,236
Miscellaneous	5,000	6,284	(1,284)
Capital outlay	6,500	-	6,500
Total expenditures	<u>25,000</u>	<u>17,548</u>	<u>7,452</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>7,785</u>	<u>\$ 7,785</u>
Fund balance - beginning		<u>96,361</u>	
Fund balance - ending		<u>\$ 104,146</u>	

Columbia County, Georgia
Community Center Operations Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Licenses and permits	\$ -	\$ 150	\$ 150
Charges for services	323,902	243,332	(80,570)
Other	65,000	50,138	(14,862)
Total revenues	<u>388,902</u>	<u>293,620</u>	<u>(95,282)</u>
Expenditures			
Current:			
General government	383,902	368,877	15,025
Capital outlay	5,000	-	5,000
Total expenditures	<u>388,902</u>	<u>368,877</u>	<u>20,025</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>(75,257)</u>	<u>\$ (75,257)</u>
Fund balance - beginning		<u>(386,172)</u>	
Fund balance - ending		<u>\$ (461,429)</u>	

Columbia County, Georgia
Community Greenspace Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 456,251	\$ 393,236	\$ (63,015)
Other	-	58	58
Total revenues	<u>456,251</u>	<u>393,294</u>	<u>(62,957)</u>
Expenditures			
Capital outlay	<u>456,251</u>	<u>393,236</u>	<u>63,015</u>
Total expenditures	<u>456,251</u>	<u>393,236</u>	<u>63,015</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>58</u>	<u>\$ 58</u>
Fund balance - beginning		<u>(121)</u>	
Fund balance - ending		<u>\$ (63)</u>	

Columbia County, Georgia
Hotel / Motel Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Taxes - other than property	\$ 164,500	\$ 261,393	\$ 96,893
Investment income	-	1,710	1,710
Contributions and donations	-	1,790	1,790
Total revenues	<u>164,500</u>	<u>264,893</u>	<u>100,393</u>
Expenditures			
Current:			
Culture and recreation	<u>164,500</u>	<u>190,108</u>	<u>(25,608)</u>
Total expenditures	<u>164,500</u>	<u>190,108</u>	<u>(25,608)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>74,785</u>	<u>\$ 74,785</u>
Fund balance - beginning		<u>62,804</u>	
Fund balance - ending		<u>\$ 137,589</u>	

Columbia County, Georgia
Library Board Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Fines and forfeitures	\$ 30,000	\$ 51,105	\$ 21,105
Investment income	21,500	14,130	(7,370)
Contributions and donations	-	21,900	21,900
Other	4,000	4,403	403
Total revenues	<u>55,500</u>	<u>91,538</u>	<u>36,038</u>
Expenditures			
Current:			
Culture and recreation	<u>55,500</u>	<u>13,780</u>	<u>41,720</u>
Total expenditures	<u>55,500</u>	<u>13,780</u>	<u>41,720</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>77,758</u>	<u>\$ 77,758</u>
Fund balance - beginning		<u>709,295</u>	
Fund balance - ending		<u>\$ 787,053</u>	

Columbia County, Georgia
Clean and Beautiful Memorial Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Contributions and donations	\$ 1,000	\$ 1,025	\$ 25
Total revenues	<u>1,000</u>	<u>1,025</u>	<u>25</u>
Expenditures			
Current:			
Culture and recreation	1,000	-	1,000
Total expenditures	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>1,025</u>	<u>\$ 1,025</u>
Fund balance - beginning		<u>-</u>	
Fund balance - ending		<u>\$ 1,025</u>	

Columbia County, Georgia
Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Taxes - property	\$ 1,471,038	\$ 1,512,099	\$ 41,061
Investment income	-	17,895	17,895
Other	1,900,000	-	(1,900,000)
Total revenues	<u>3,371,038</u>	<u>1,529,994</u>	<u>(1,841,044)</u>
Expenditures			
Current:			
Principal	350,000	350,000	-
Interest	1,421,038	1,419,499	1,539
Total expenditures	<u>1,771,038</u>	<u>1,769,499</u>	<u>1,539</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,600,000</u>	<u>(239,505)</u>	<u>(1,839,505)</u>
Other financing sources (uses)			
Transfers in	300,000	-	(300,000)
Transfers out	(1,900,000)	(2,400,000)	(500,000)
Total other financing sources (uses)	<u>(1,600,000)</u>	<u>(2,400,000)</u>	<u>(800,000)</u>
Net change in fund balances	<u>\$ -</u>	<u>(2,639,505)</u>	<u>\$ (2,639,505)</u>
Fund balance - beginning		<u>3,355,234</u>	
Fund balance - ending		<u>\$ 715,729</u>	

INTERNAL SERVICE FUNDS

Columbia County, Georgia
Combining Statement of Net Assets
Internal Service Funds
June 30, 2003

	Employee Medical Fund	Risk Management Fund	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 85,181	\$ -	\$ 85,181
Accounts receivable	336	-	336
Due from other funds	-	26,043	26,043
Prepaid items	-	242	242
Total current assets	<u>85,517</u>	<u>26,285</u>	<u>111,802</u>
Total assets	<u>85,517</u>	<u>26,285</u>	<u>111,802</u>
Liabilities			
Current liabilities			
Accounts payable	182,434	3,686	186,120
Accrued payroll	-	3,400	3,400
Accrued compensated absences	-	2,324	2,324
Due to other funds	42,978	16,875	59,853
Total current liabilities	<u>225,412</u>	<u>26,285</u>	<u>251,697</u>
Total liabilities	<u>225,412</u>	<u>26,285</u>	<u>251,697</u>
Net assets			
Unrestricted net assets	(139,895)	-	(139,895)
Total net assets	<u>\$ (139,895)</u>	<u>\$ -</u>	<u>\$ (139,895)</u>

Columbia County, Georgia

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Internal Service Funds

For the Year Ended June 30, 2003

	Employee Medical Fund	Risk Management Fund	Total
Operating revenues			
Charges for services	\$ 2,626,784	\$ -	\$ 2,626,784
Intergovernmental	-	735,551	735,551
Other	26,301	-	26,301
Total operating revenues	<u>2,653,085</u>	<u>735,551</u>	<u>3,388,636</u>
Operating expenses			
Personal services	-	73,919	73,919
Purchased/contracted services	3,103,595	656,245	3,759,840
Supplies and materials	-	5,387	5,387
Interfund/Interdepartmental charges	44,974	-	44,974
Other costs	2,354	-	2,354
Total operating expenses	<u>3,150,923</u>	<u>735,551</u>	<u>3,886,474</u>
Operating income (loss)	<u>(497,838)</u>	<u>-</u>	<u>(497,838)</u>
Nonoperating revenue (expense)			
Interest earned	7,185	-	7,185
Total nonoperating revenue (expense)	<u>7,185</u>	<u>-</u>	<u>7,185</u>
Change in net assets	<u>(490,653)</u>	<u>-</u>	<u>(490,653)</u>
Total net assets - beginning	<u>350,758</u>	<u>-</u>	<u>350,758</u>
Total net assets - ending	<u>\$ (139,895)</u>	<u>\$ -</u>	<u>\$ (139,895)</u>

Columbia County, Georgia

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2003**

	Employee Medical Fund	Risk Management Fund	Total
Operating activities			
Cash received from customers	\$ 2,653,762	\$ 740,051	\$ 3,393,813
Cash paid to suppliers and others	(3,028,590)	(668,456)	(3,697,046)
Cash paid to employees	-	(71,595)	(71,595)
Net cash provided by (used in) operating activities	(374,828)	-	(374,828)
Investing activities			
Interest on investments	7,185	-	7,185
Net cash provided (used) in investing activities	7,185	-	7,185
Net decrease in cash and cash equivalents/investments	(367,643)	-	(367,643)
Cash and cash equivalents/investments			
Beginning of year	452,824	-	452,824
End of year	\$ 85,181	\$ -	\$ 85,181
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (497,838)	\$ -	\$ (497,838)
Change in assets and liabilities			
Accounts receivable	677	4,500	5,177
Deferred charges / prepaid expense	-	(99)	(99)
Due from other funds	-	6,591	6,591
Accounts payable	172,868	(21,935)	150,933
Accrued liabilities	-	(5,932)	(5,932)
Due to other funds	(50,535)	16,875	(33,660)
Total adjustments	123,010	-	123,010
Net cash provided by (used in) operating activities	\$ (374,828)	\$ -	\$ (374,828)

AGENCY FUNDS

Columbia County, Georgia

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2003

	<u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2003</u>
<u>Clerk of Superior Court</u>				
Assets				
Cash and cash equivalents	\$ 862,219	\$ 6,674,141	\$ 6,028,694	\$ 1,507,666
Total assets	<u>\$ 862,219</u>	<u>\$ 6,674,141</u>	<u>\$ 6,028,694</u>	<u>\$ 1,507,666</u>
Liabilities				
Due to other funds	\$ 239,931	\$ 2,208,909	\$ 2,186,267	\$ 262,573
Due to others	622,288	4,465,232	3,842,427	1,245,093
Total liabilities	<u>\$ 862,219</u>	<u>\$ 6,674,141</u>	<u>\$ 6,028,694</u>	<u>\$ 1,507,666</u>
<u>Probate Court</u>				
Assets				
Cash and cash equivalents	\$ 362,632	\$ 1,875,066	\$ 1,943,154	\$ 294,544
Total assets	<u>\$ 362,632</u>	<u>\$ 1,875,066</u>	<u>\$ 1,943,154</u>	<u>\$ 294,544</u>
Liabilities				
Due to other funds	\$ 113,700	\$ 1,162,309	\$ 1,164,799	\$ 111,210
Due to others	248,932	712,757	778,355	183,334
Total liabilities	<u>\$ 362,632</u>	<u>\$ 1,875,066</u>	<u>\$ 1,943,154</u>	<u>\$ 294,544</u>
<u>Magistrate Court</u>				
Assets				
Cash and cash equivalents	\$ 127,384	\$ 489,076	\$ 490,746	\$ 125,714
Total assets	<u>\$ 127,384</u>	<u>\$ 489,076</u>	<u>\$ 490,746</u>	<u>\$ 125,714</u>
Liabilities				
Due to other funds	\$ 82,224	\$ 317,796	\$ 339,345	\$ 60,675
Due to others	45,160	171,279	151,400	65,039
Total liabilities	<u>\$ 127,384</u>	<u>\$ 489,075</u>	<u>\$ 490,745</u>	<u>\$ 125,714</u>
<u>Sheriff's Office</u>				
Assets				
Cash and cash equivalents	\$ 219,422	\$ 489,563	\$ 466,581	\$ 242,404
Total assets	<u>\$ 219,422</u>	<u>\$ 489,563</u>	<u>\$ 466,581</u>	<u>\$ 242,404</u>
Liabilities				
Due to other funds	\$ -	\$ 113,214	\$ 104,385	\$ 8,829
Due to others	219,422	376,348	362,195	233,575
Total liabilities	<u>\$ 219,422</u>	<u>\$ 489,562</u>	<u>\$ 466,580</u>	<u>\$ 242,404</u>

Tax Commissioner**Assets**

Cash and cash equivalents	\$ 407,676	\$ 62,423,647	\$ 62,625,435	\$ 205,888
Total assets	<u>\$ 407,676</u>	<u>\$ 62,423,647</u>	<u>\$ 62,625,435</u>	<u>\$ 205,888</u>

Liabilities

Due to other funds	\$ 117,581	\$ 17,030,628	\$ 17,027,512	\$ 120,697
Due to others	290,095	45,393,019	45,597,923	85,191
Total liabilities	<u>\$ 407,676</u>	<u>\$ 62,423,647</u>	<u>\$ 62,625,435</u>	<u>\$ 205,888</u>

General Trust and Agency**Assets**

Cash and cash equivalents	\$ 95,650	\$ 384	\$ -	\$ 96,034
Total assets	<u>\$ 95,650</u>	<u>\$ 384</u>	<u>\$ -</u>	<u>\$ 96,034</u>

Liabilities

Due to others	\$ 95,650	\$ 384	\$ -	\$ 96,034
Total liabilities	<u>\$ 95,650</u>	<u>\$ 384</u>	<u>\$ -</u>	<u>\$ 96,034</u>

**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

Columbia County, Georgia
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules By Source
June 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Governmental funds capital assets:		
Land	\$ 25,049,103	\$ 23,347,557
Buildings	68,979,618	33,537,127
Improvements other than buildings	2,502,659	17,448
Infrastructure	139,348,801	136,446,590
Vehicles, machinery and equipment	10,893,354	10,631,847
Construction in progress	<u>4,911,005</u>	<u>37,710,178</u>
Total governmental funds capital assets	<u>\$ 251,684,540</u>	<u>\$ 241,690,747</u>
Investments in governmental funds capital assets by source:		
General fund	\$ 22,532,638	\$ 21,884,463
Special revenue fund	451,743	59,448
Capital projects fund	<u>228,700,159</u>	<u>219,746,836</u>
Total governmental funds capital assets	<u>\$ 251,684,540</u>	<u>\$ 241,690,747</u>

Columbia County, Georgia
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2003

Function and Activity	Land	Buildings	Improvements other than Buildings	Infrastructure	Vehicles, Machinery and Equipment	Construction in Progress	Total
General Government:							
Legislative	\$ 3,330,323	\$ 653,865	\$ -	\$ -	\$ 29,536	\$ -	\$ 4,013,724
Judicial	-	16,833,778	-	-	120,754	-	16,954,532
Executive and Administrative	20,024	3,897,137	-	-	1,216,291	3,198,762	8,332,214
 Public Safety	 -	 32,493,519	 8,448	 -	 3,878,296	 341,395	 36,721,658
 Public Works	 18,665,031	 3,833,159	 389,434	 139,348,801	 4,668,870	 -	 166,905,295
 Culture and Recreation	 2,805,243	 6,769,694	 2,104,777	 -	 399,573	 1,370,848	 13,450,135
 Health and Welfare	 20,888	 3,813,938	 -	 -	 230,544	 -	 4,065,370
 Housing and Development	 207,594	 684,528	 -	 -	 349,490	 -	 1,241,612
Total governmental funds capital assets	\$ 25,049,103	\$ 68,979,618	\$ 2,502,659	\$ 139,348,801	\$ 10,893,354	\$ 4,911,005	\$ 251,684,540

Columbia County, Georgia
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
For the fiscal year ended June 30, 2003

Function and Activity	Governmental Funds Capital Assets July 1, 2002	Additions	Deductions	Governmental Funds Capital Assets June 30, 2003
General Government:				
Legislative	\$ 3,460,801	\$ 552,923	\$ -	\$ 4,013,724
Judicial	17,216,576	15,723,906	15,985,950	16,954,532
Executive and Administrative	4,641,445	3,690,769	-	8,332,214
Public Safety	35,641,301	21,081,955	20,001,598	36,721,658
Public Works	164,504,887	2,400,408	-	166,905,295
Culture and Recreation	10,822,388	5,719,672	3,091,925	13,450,135
Health and Welfare	4,492,801	-	427,431	4,065,370
Housing and Development	910,548	331,064	-	1,241,612
Total governmental funds capital assets	<u>\$ 241,690,747</u>	<u>\$ 49,500,697</u>	<u>\$ 39,506,904</u>	<u>\$ 251,684,540</u>

Statistical Section

/ Statistical Tables

/ Revenue Bonds Disclosure

/ General Obligation Bonds Disclosure

Statistical Tables

Columbia County, Georgia

Table 1

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Government	Judicial System	Public Safety	Public Works	Health & Welfare	Housing & Development	Culture & Recreation	Debt Service	Other (2)	Total
1994	6,292,908	1,283,780	7,506,352	3,644,127	671,999	112,873	1,346,729	228,027		21,086,795
1995	6,588,247	1,300,391	9,170,784	2,939,162	719,944	109,162	1,853,121	225,902		22,906,713
1996	6,284,902	1,460,714	9,208,051	2,811,392	760,116	134,861	1,891,957	232,300		22,784,293
1997	5,914,344	1,656,768	11,211,087	3,137,791	862,363	141,076	1,908,705	227,869		25,060,003
1998	6,284,392	1,730,907	10,747,009	3,523,993	1,018,211	139,108	1,885,993	227,697		25,557,310
1999	6,173,098	2,068,061	11,686,168	3,546,658	893,004	1,100,017	2,288,844	597,489		28,353,339
2000	6,380,124	2,016,575	12,745,804	4,000,708	922,078	1,404,108	2,556,605	1,664,420		31,690,422
2001	6,694,384	2,335,273	14,161,894	3,770,180	1,033,054	1,660,079	2,548,726	1,831,978		34,035,568
2002	7,246,260	2,332,561	15,231,798	4,001,920	574,293	1,519,680	2,515,717	1,699,356		35,121,585
2003	7,890,440	2,743,410	15,528,366	4,182,603	934,025	2,474,174	2,696,304	1,769,499	2,010,863	40,229,684

NOTES:

(1) Includes General, Special Revenue and Debt Service Funds of Primary Government.

(2) Includes capital outlay, which, prior to 2003, was included in the individual functions of the general government.

Columbia County, Georgia

Table 2

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes - Property and Other	Fines and Forfeitures	Charges for Services	Inter- governmental	Licenses and Permits	Investment Income	Other	Total
1994	15,101,007	2,000,253	987,166	555,258	945,432	88,156	210,038	19,887,310
1995	17,287,867	1,703,978	1,261,738	510,934	754,468	113,543	387,050	22,019,578
1996	18,738,566	1,851,117	1,301,629	502,515	779,603	209,120	360,188	23,742,738
1997	19,485,613	2,424,420	1,287,194	875,916	829,900	205,596	293,737	25,402,376
1998	20,220,101	2,617,466	830,545	1,315,943	876,708	271,888	704,942	26,837,593
1999	24,432,264	2,682,118	1,896,152	1,345,062	466,314	385,418	963,558	32,170,886
2000	26,416,860	1,818,968	2,736,060	1,624,097	552,333	554,120	618,397	34,320,835
2001	28,054,324	1,645,981	2,579,899	2,264,892	478,022	600,630	485,530	36,109,278
2002	29,957,262	1,665,627	3,178,470	1,516,275	674,380	296,461	1,064,032	38,352,507
2003	30,389,503	2,243,567	4,935,923	2,851,214	1,023,026	322,260	507,407	42,272,900

NOTES:

(1) Includes General, Special Revenue and Debt Service Funds of Primary Government.

Columbia County, Georgia

Table 3

**PROPERTY TAX LEVIES AND COLLECTIONS (1)
BY TAX YEAR**

LAST TEN YEARS

Calendar Year of Levy	Total Tax Levy (4)	Total Tax Collections (2)	Percent Collected	Delinquent Taxes (3)	Percent Delinquent
1994	31,366,374	31,366,207	100.00%	167	0.00%
1995	33,667,052	33,666,865	100.00%	187	0.00%
1996	35,334,026	35,331,339	99.99%	2,687	0.01%
1997	36,204,928	36,202,378	99.99%	2,550	0.01%
1998	39,805,057	39,799,256	99.99%	5,801	0.01%
1999	40,846,290	40,832,494	99.97%	13,796	0.03%
2000	43,094,113	43,050,862	99.90%	43,251	0.10%
2001	45,071,501	44,989,294	99.82%	82,207	0.18%
2002	46,876,797	46,534,572	99.27%	342,225	0.73%
2003	50,418,838	46,909,240	93.04%	3,509,598	6.96%

SOURCE: Tax Commissioner's Office

NOTES:

(1) Above amounts include taxes levied and collected for the Columbia County Board of Commissioners, the Columbia County Board of Education, State of Georgia, and other municipalities within Columbia County.

(2) Total Tax Collections are as of December 17, 2003.

(3) 2003 property taxes are due November 15, 2003.
2003 public utilities taxes are due February 10, 2004.

(4) Total tax levy includes all adjustments made to original approved digest as of December 17, 2003.

Columbia County, Georgia

Table 4

ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY

LAST TEN YEARS

Calendar Year of Levy	Assessed Value (1):					Total Assessed Value of Property	Less: M & O Exemptions	Total: Net Assessed Value	Total Estimated Actual Value	Ratio of Net Assessed Value to Total Estimated Actual Value
	Real Property (2)	Personal Property	Motor Vehicle	Mobile Homes	Public Utilities					
1994	1,165,614,909	99,711,180	136,630,143	6,353,861	41,058,186	1,449,368,279	(99,869,209)	1,349,499,070	3,623,420,698	37.24%
1995	1,259,733,837	120,249,501	170,607,218	7,039,371	43,390,852	1,601,020,779	(125,563,861)	1,475,456,918	4,002,551,948	36.86%
1996	1,319,171,555	139,935,691	177,620,544	7,411,689	44,689,861	1,688,829,340	(146,404,217)	1,542,425,123	4,222,073,350	36.53%
1997	1,381,370,723	147,173,343	201,935,533	9,287,109	45,018,373	1,784,785,081	(155,915,032)	1,628,870,049	4,461,962,703	36.51%
1998	1,462,125,538	157,798,551	202,267,930	9,362,105	46,648,199	1,878,202,323	(165,293,687)	1,712,908,636	4,691,431,243	36.51%
1999	1,560,709,822	170,516,511	210,452,787	13,596,286	46,672,921	2,001,948,327	(183,557,192)	1,818,391,135	5,004,870,817	36.33%
2000	1,698,045,665	191,960,824	232,554,654	13,605,887	46,656,796	2,182,823,826	(203,197,278)	1,979,626,548	5,457,059,565	36.28%
2001	1,856,724,006	228,476,830	260,114,310	13,505,383	46,110,040	2,404,930,569	(233,029,706)	2,171,900,863	6,012,326,423	36.12%
2002	1,922,410,017	233,705,404	264,703,966	12,789,471	46,343,527	2,479,952,385	(247,371,998)	2,232,580,387	6,199,880,963	36.01%
2003	2,067,487,973	234,157,580	267,976,520	11,959,826	47,691,780	2,629,273,679	(251,887,437)	2,377,386,242	6,573,184,198	36.17%

SOURCE: Tax Commissioner's Office

NOTES:

(1) Under Georgia law, property, other than timber, is assessed for taxes at 40% of fair market value.

(2) Includes assessed value of timber.

Columbia County, Georgia

Table 5

**PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)**

LAST TEN YEARS

Calendar Year	State of Georgia	<u>COUNTY GOVERNMENT</u>				<u>COUNTY SCHOOL DISTRICT</u>		Total
		Gross County M & O	County LOST Reduction (1)	County Net M & O	County Debt Service	School M & O	School Debt Service	
1994	0.25	9.84	(3.31)	6.53	0.17	14.76	3.75	25.46
1995	0.25	9.97	(3.34)	6.63	0.07	14.76	3.75	25.46
1996	0.25	9.88	(3.33)	6.55	0.15	14.76	3.75	25.46
1997	0.25	10.25	(3.68)	6.57	0.13	17.51	0.50	24.96
1998	0.25	9.92	(3.36)	6.56	1.14	17.51	0.50	25.96
1999	0.25	10.27	(3.71)	6.56	1.14	17.51	0.00	25.46
2000	0.25	10.26	(3.70)	6.56	1.14	17.18	0.00	25.13
2001	0.25	11.05	(3.70)	7.35	0.35	17.18	0.00	25.13
2002	0.25	10.65	(3.60)	7.05	0.65	17.18	0.00	25.13
2003	0.25	10.62	(3.69)	6.93	0.77	17.18	0.00	25.13

SOURCE: Tax Commissioner's Office

NOTES:

(1) Rollback of property taxes based on the receipt of sales tax revenues as required by Georgia Law.

(Continued)

Table 5

**PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)**

LAST TEN YEARS

Calendar Year	CITY OF HARLEM				CITY OF GROVETOWN			
	City of Harlem Gross	Harlem LOST Reduction (1)	City of Harlem Net M & O	Total Harlem & County	City of Grovetown Gross	Grovetown LOST Reduction (1)	City of Grovetown Net M & O	Total Grovetown & County
1994	21.14	(15.64)	5.50	30.96	27.29	(22.59)	4.70	30.16
1995	20.62	(15.12)	5.50	30.96	24.34	(19.64)	4.70	30.16
1996	21.65	(16.15)	5.50	30.96	22.66	(17.96)	4.70	30.16
1997	19.01	(13.51)	5.50	30.46	22.45	(17.75)	4.70	29.66
1998	22.55	(17.05)	5.50	31.46	21.27	(16.57)	4.70	30.66
1999	24.90	(19.40)	5.50	30.96	20.35	(15.65)	4.70	30.16
2000	24.91	(19.41)	5.50	30.63	21.08	(16.38)	4.70	29.83
2001	26.74	(21.24)	5.50	30.63	20.25	(15.55)	4.70	29.83
2002	26.62	(21.12)	5.50	30.63	19.58	(14.94)	4.64	29.77
2003	27.25	(21.83)	5.42	30.55	17.56	(12.92)	4.64	29.77

SOURCE:

NOTES:

(1) Rollback of property taxes based on the receipt of sales tax revenues as required by Georgia Law.

(Concluded)

Columbia County, Georgia

Table 6

PRINCIPAL TAXPAYERS**December 31, 2003**

<u>TAXPAYER</u>	<u>ACTIVITY</u>	<u>2003 ASSESSED VALUATION</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>	<u>COUNTY TAXES LEVIED (1)</u>	<u>PERCENTAGE OF TOTAL COUNTY TAXES LEVIED</u>
Georgia Power	Electric Power Utility	\$23,596,098	0.99%	\$163,521	0.99%
John Deere Commercial Products	Small Tractor Assembly	19,791,507	0.83%	137,155	0.83%
Quebecor World Inc.	Catalog Printing	17,239,682	0.73%	119,471	0.73%
Bell South Telecommunications	Telephone Utility	11,819,112	0.50%	81,906	0.50%
Wal-Mart Real Estate Business	Retail	10,426,753	0.44%	72,257	0.44%
Club Car Inc	Utility/Golf Carts	7,082,425	0.30%	49,082	0.30%
Atlanta Gas Light Company	Natural gas utility	6,350,499	0.27%	44,008	0.27%
KRI, Inc	Catalog Printing	4,829,431	0.20%	33,467	0.20%
Walden Glen LLC	Apartments	4,557,631	0.19%	31,584	0.19%
South Carolina Elec & Gas	Elec/Gas Utility	3,615,475	0.15%	25,055	0.15%
Total principal taxpayers		<u>\$109,308,613</u>	<u>4.60%</u>	<u>\$757,506</u>	<u>4.60%</u>
Net assessed value/taxes levied (2003)		<u>\$2,377,386,242</u>		<u>\$16,475,287</u>	

SOURCE: Tax Commissioner's Office

Notes:

(1) Includes taxes levied for Columbia County Board of Commissioners only.

Columbia County, Georgia

Table 7

SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS

LAST TEN FISCAL YEARS

Columbia County has not incurred any Special Assessment Debt

Columbia County, Georgia

Table 8

COMPUTATION OF LEGAL DEBT MARGIN

June 30, 2003

	<u>Bond Digest</u>	<u>Maintenance and Operations Digest</u>
Net Assessed Value:		
Assessed Value	\$2,629,273,679	\$2,629,273,679
Less Applicable Exemptions	<u>(217,793,437)</u>	<u>(251,887,437)</u>
Net Assessed Value	<u>\$2,411,480,242</u>	<u>\$2,377,386,242</u>
Legal Debt Margin:		
Debt Limitation - 10% of net assessed value	\$241,148,024	<u>\$237,738,624</u>
General Obligation Bonds applicable to debt limitation	<u>(27,895,000)</u>	
Legal Debt Margin	<u>\$213,253,024</u>	
Debt Guaranteed by General Fund Revenues:		
Development Authority Revenue Bonds		\$4,445,000
Solid Waste Management Authority Revenue Bonds		<u>3,390,000</u>
Debt Guaranteed by General Fund Revenues		<u>\$7,835,000</u>

Columbia County, Georgia

Table 9

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA**

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Population (1)	Net Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Fund (4)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1994	78,149	1,349,499,070	1,280,000	143,122	1,136,878	0.08%	15
1995	81,491	1,475,456,918	1,125,000	200,460	924,540	0.06%	11
1996	83,077	1,542,425,123	955,000	40,945	914,055	0.06%	11
1997	85,106	1,628,870,049	780,000	25,714	754,286	0.05%	9
1998	86,675	1,712,908,636	595,000	1,669	593,331	0.03%	7
1999	88,280	1,818,391,135	29,115,000	1,350,715	27,764,285	1.53%	315
2000	89,826	1,979,626,548	28,905,000	1,984,204	26,920,796	1.36%	300
2001	91,944	2,171,900,863	28,515,000	2,628,666	25,886,334	1.19%	282
2002	94,958	2,232,580,387	28,245,000	3,355,234	24,889,766	1.11%	262
2003	97,220	2,377,386,242	27,895,000	715,729	27,179,271	1.14%	280

NOTES:

(1) Source: The Georgia County Guide and the Columbia County Planning Department.

(2) From Table 4.

(3) Amount does not include revenue bonds.

(4) Amount available for repayment of general obligation bonds.

Columbia County, Georgia

Table 10

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED
DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES(1)**

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Principal	Interest (2)	Total Debt Service	Total General Governmental Expenditures (3)	Ratio of Debt Service to General Governmental Expenditures
1994	150,000	77,315	227,315	21,086,795	1.08%
1995	155,000	69,988	224,988	22,906,713	0.98%
1996	170,000	61,488	231,488	22,784,293	1.02%
1997	175,000	52,128	227,128	25,060,003	0.91%
1998	185,000	41,950	226,950	25,557,310	0.89%
1999	195,000	401,700	596,700	28,353,339	2.10%
2000	210,000	1,454,420	1,664,420	31,690,422	5.25%
2001	390,000	1,441,978	1,831,978	34,035,568	5.38%
2002	270,000	1,428,892	1,698,892	35,121,585	4.84%
2003	350,000	1,419,499	1,769,499	40,229,684	4.40%

NOTES:

(1) Includes General, Special Revenue and Debt Service Funds of Primary Government.

(2) Excludes bond issuance and other costs.

(3) From Table 1.

**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS**

June 30, 2003

	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Columbia County	Amount Applicable to Columbia County
Direct General Obligation Debt: Columbia County	\$27,895,000	100.00%	\$27,895,000
Overlapping General Obligation Debt: Columbia County Board of Education (1)	<u>49,630,000</u>	100.00%	<u>49,630,000</u>
Total Direct and Overlapping General Obligation Debt	<u><u>\$77,525,000</u></u>		<u><u>\$77,525,000</u></u>

NOTES:

(1) Per the Columbia County Board of Education

Table 12

**REVENUE BOND COVERAGE
WATER AND SEWERAGE DEPARTMENT**

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt service Requirements (3)			Coverage
				Principal	Interest	Total	
1994	9,045,083	4,268,805	4,776,278	1,250,000	1,930,063	3,180,063	1.50
1995	8,629,763	4,384,649	4,245,114	1,260,000	2,074,816	3,334,816	1.27
1996	13,342,239	4,417,286	8,924,953	4,976,177	2,263,099	7,239,276	1.23
1997	10,158,778	4,316,241	5,842,537	2,055,762	2,179,984	4,235,746	1.38
1998	10,854,427	4,607,053	6,247,374	1,630,001	2,275,220	3,905,221	1.60
1999	12,684,128	5,305,150	7,378,978	1,710,000	2,307,334	4,017,334	1.84
2000	14,284,721	5,783,695	8,501,026	1,780,000	2,305,079	4,085,079	2.08
2001	15,926,771	6,170,639	9,756,132	2,115,000	2,623,638	4,738,638	2.06
2002	17,152,167	7,187,774	9,964,393	2,540,000	2,910,261	5,450,261	1.83
2003	18,226,969	7,518,751	10,708,218	2,690,000	2,800,310	5,490,310	1.95

NOTES:

(1) Total revenues excluding interest.

(2) Total operating expenses exclusive of depreciation and amortization.

(3) Includes principal and interest of revenue bonds only. It does not include debt defeasance transactions.

Columbia County, Georgia

Table 13

DEMOGRAPHIC STATISTICS

LAST TEN YEARS

Year	Population(1)	Per Capita Income	Median Age	School Enrollment (2)	Number of Business Establishments (3)(4)	Taxable Sales in Thousands	Unemployment Rate(5)
1994	78,149	18,764	31.2	16,008	3,386	562,261	4.20%
1995	81,491	19,429	31.2	16,528	2,540	577,872	4.20%
1996	83,077	21,017	31.2	17,100	2,658	643,106	4.10%
1997	85,106	22,014	31.2	17,979	2,731	692,144	3.90%
1998	86,675	23,346	31.2	18,582	2,845	748,055	3.30%
1999	88,280	24,142	31.2	18,664	2,936	N/A	3.10%
2000	89,826	25,707	31.2	18,690	2,933	832,828	2.90%
2001	91,944	26,487	35.4	18,775	3,065	870,927	2.60%
2002	94,958	N/A	35.4	19,042	3,662	935,398	3.40%
2003	97,220	N/A	35.4	19,633	3,960	N/A	N/A

SOURCE: Georgia County Guide, University of Georgia

NOTES: N/A = Not Available

(1) Years 1992 - 1999 are Census Bureau Estimates as of July 1 of each year. Year 2000 was an actual Decennial Census Year.

(2) Per Columbia County Board of Education. Enrollment figures are as of November 4, 2003.

(3) Per Columbia County Planning and Development Services as of December 5, 2003.

(4) As of January 1, 1995, the Occupational Tax law and the requirements for business licenses changed.

(5) Per the Georgia Department of Labor for year 2000.

Table 14

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS**LAST TEN YEARS**

Year	Property Value (1)			Construction (2)		Total Value*	Bank Deposits *
	Commercial (3)	Residential	Total	Commercial/Industrial Number of Units	Residential Number of Units		
1994	671,749,910	2,951,670,788	3,623,420,698	65	1092	156,269	303,671
1995	769,177,475	3,233,374,473	4,002,551,948	56	874	117,424	341,411
1996	863,617,485	3,358,455,865	4,222,073,350	31	811	101,092	357,818
1997	1,296,610,540	3,165,352,163	4,461,962,703	66	868	108,424	494,388
1998	1,734,508,143	2,956,923,100	4,691,431,243	68	1,272	137,665	575,212
1999	1,855,214,320	3,149,656,498	5,004,870,817	106	1,184	146,354	593,152
2000	2,025,983,450	3,431,076,115	5,457,059,565	100	943	149,633	632,732
2001	2,379,195,248	3,633,131,175	6,012,326,423	70	1,059	175,897	709,156
2002	2,350,907,935	3,848,973,028	6,199,880,963	68	1,489	204,726	808,763
2003	2,436,750,450	4,136,433,748	6,573,184,198	53	1,148	243,865	N/A

SOURCE: Columbia County Tax Commissioner
Columbia County Engineering Services
The Georgia County Guide

NOTES: N/A = Not Available
* Amounts expressed in thousands

(1) Total Estimated Actual Value of Property from Table 4.

(2) 2003 construction measures are as of November 1, 2003.

(3) Includes all property not classified as residential.

Columbia County, Georgia

Table 15

MISCELLANEOUS STATISTICS

June 30, 2003

Date of Incorporation	1790
Form of Government	Five Member Board of Commissioners
Number of Employees:	
Police	723
Other	307
Area in square miles	416
Columbia County Facilities and Services:	
Miles of County maintained roads	626
Culture and Recreation:	
Gym Complex Center	1
Community Centers	3
Parks	10
Libraries	3
Miles of lake shoreline	1,200
Police Protection:	
Number of Personnel	307
Number of calls for service	50,367
Number of prisoners processed	2,808
Civil & criminal cases processed	7,631
Court System:	
Number of traffic cases	9,662
Number of marriage licenses	284
Number of gun permits	584
Fish & Game cases	169
Sewer System:	
Number of treatment plants	3
Maximum daily capacity of treatment plant in gallons	9,050,000
Number of Accounts	23,711
Water System:	
Daily water treatment production capacity in gallons	39,000,000
Number of Accounts	29,670
Facilities and Services not included in the reporting entity:	
Education:	
Number of elementary schools	15
Number of middle schools	7
Number of high schools	4
Number of alternative schools	1
Fire Protection:	
Number of fire stations	17
Medical Facilities in the Metro Augusta area:	
Number of hospitals	7
Number of patient beds	1,854

Revenue Bonds Disclosure

THE COLUMBIA COUNTY WATER & SEWERAGE SYSTEM

General

The Columbia County Water & Sewerage System (the System) is composed of a water storage and distribution system and a water collection, treatment and disposal system. The day-to-day operation of the System is under the direction of Mr. William Clayton, Director of the Water and Sewer Services Division of Columbia County, GA (the County). Mr. Clayton has been employed with the County for 28 years and in his current capacity as Director for 24 years. The Board of Commissioners has ultimate authority and control over the policies and rate setting for the System. The County employs approximately 85 persons in managerial, clerical, maintenance and other capacities relating to the System. The System provides water service to approximately 29,853 customers and sewer service to approximately 23,882 customers in the County. The System does not serve customers outside the County.

Water System

The original water supply and distribution system was constructed in 1962. The original water supply consisted of 300 gallons per minute well. Due to the lack of an acceptable volume of well water, the System was expanded in 1971 with a two million gallon per day ("MGD") surface water treatment plant located near the Savannah River in the vicinity of the Stevens Creek Dam and Reservoir. The treatment plant's capacity was expanded to 6 MGD in 1979, to 8 MGD in 1981, to 12 MGD in 1985, to 21 MGD in 1991, to 24 MGD in 1999, to 30 MGD in 2000, and 31MGD in 2001. Water is supplied from the Savannah River by a raw water intake and pump station with vertical turbine pumps. The rate capacity of the pump station is 34 MGD. Treatment is provided through rapid mixing, flocculation, sedimentation, filtration, chlorine disinfection, and fluoridation. Four million gallons of finished water storage is provided prior to pumping into the distribution system. The high service pump station has a rated capacity of 38 MGD. In 1989, a second treatment plant, with 2 MGD capacity expanded to 3 MGD in 1999 and 8 MDG in 2001, was constructed at Clark's Hill reservoir to provide water to the western areas of the County.

The water distribution system uses four system elevations to serve its customers. The high level system (elevation 650 feet) services the new industrial park located near Grovetown. The upper intermediate level system (elevation 615 feet) services the majority of the Martinez-Evans area. The lower intermediate level system (elevation 565 feet) serves the Columbia Road area and Appling. The low level system (elevation 500 feet) provides water to the northwest portion of the County. Four booster pump stations, Columbia Road, Flowing Wells, and Station No. 4 at Morningside Drive in Evans, supply water from the lower intermediate level to the upper intermediate level systems. Supplemental water can be provided by the Augusta-Richmond County Water System through a connection to the upper intermediate level system at Belair Road by Pump Station No. 3. Wrightsboro Road Pump Station will supply the upper intermediate level system from the lower intermediate level system.

Finished water storage consists of 11,000,000 gallons on the low level system (11,000,000 gallons ground storage), 7,750,000 gallons on the lower intermediate level system, 2,750,000 gallons on the upper intermediate level system (five 250,000 gallons elevated, two 500,000 gallon elevated and one 1,000,000 gallon tank), and 500,000 gallons on the high level system.

Sewerage System

The sewerage system consists of three water pollution control plants, 14 sewerage pump stations, and collection and interceptor sewers from 8" to 30".

The Crawford Creek water pollution control plant is an extended aeration type activated sludge plant with a design capacity of 1.5 MGD. The service area for this plant is south of Georgia Hereford Farm Road, west of Belair Road, north of Wrightsboro Road, and west of Lewiston Road. Based on population projections, the Crawford Creek water pollution control plant will be adequate until 2010.

The Reed Creek water pollution control plant is an advanced treatment activated sludge plant with a capacity of 4.55 MGD. The Reed Creek plant is expected to be operating at capacity by 2008. The present service area for this plant includes the Reed Creek, Jones Creek and Betty's Branch drainage basins. The Little River Plant, which serves the Euchee Creek River Basin and was completed in 1989 with a capacity of 1.5 MGD, was expanded in 1999 to 3.0 MGD. Some flow from the Reed Creek plant will be directed to the Little River plant, expanding its capacity date to 2010.

The sewerage collection system encompasses gravity sewers, lift stations and force mains.

Water and Sewer Rates

The following water and sewerage rates, effective since April 1, 2003, are currently being charged by the System.

Residential		Water		Sewer	
Water Tap Size	Bracket	Base	Per 1,000 gallons	Base	Per 1,000 gallons
1" and Smaller	<10,000 gals	\$7.34	\$1.51	\$8.62	\$1.69
	>10,000 gals		\$2.09	Levelized Winter Billing	
	>30,000 gals		\$3.03		
	>50,000 gals		\$4.11		
Commercial		Water		Sewer	
Water Tap Size		Base	Per 1,000 gallons	Base	Per 1,000 gallons
1"		\$ 13.00	\$1.51	\$ 15.35	\$1.69
1 2"		29.25	1.51	34.53	1.69
2"		51.88	1.51	61.38	1.69
3"		117.01	1.51	138.11	1.69
4"		208.03	1.51	245.55	1.69
6"		467.55	1.51	555.55	1.69

Source: Columbia County Water and Sewer Services Division

Tap and Connection Charges

All water and sewer tap-in fees are based on three different conditions that exist in the System. These conditions are as follows:

- A) Where applicant applies for a tap inside a developed area in which the developer has furnished water and/or sewer mains, taps, and meter boxes.
- B) Where applicant applies for a tap inside a developed area in which the developer has furnished only the water and/or sewer mains.
- C) Where applicant lives adjacent to a water and/or sewer main installed by the System.

Residential Water Tap-in Fees.

- 1) Cost of 5/8" service for residential use.
 - A) \$299
 - B) 598
 - C) 897
- 2) Cost of 1" service for residential use.
 - A) \$412
 - B) 673
 - C) 1,010
- 3) Cost of 1 2" service for residential use.
 - A) \$523
 - B) 897
 - C) 1,122

Residential Sewer Tap-in Fees.

- 1) Cost for residential sewer tap.
 - A) \$598
 - B) 747
 - C) 897

Commercial Water and Sewer Tap-In Fees.

- 1) Cost for 1" service for commercial use.

<u>Water</u>	<u>Sewer</u>
A) \$299	A) \$747
B) 747	B) 1,046
C) 1,121	C) 1,247
- 2) Cost for 1 2" service for commercial use.

<u>Water</u>	<u>Sewer</u>
A) \$ 747	A) \$897
B) 971	B) 1,159
C) 1,345	C) 1,413
- 3) Cost for 2" service for commercial use.

<u>Water</u>	<u>Sewer</u>
A) \$ 972	A) \$3,867
B) 1,262	B) 4,634
C) 1,748	C) 5,232
- 4) Cost for 3" service for commercial use.

<u>Water</u>	<u>Sewer</u>
A) \$2,019	A) \$6,279
B) 2,541	B) 7,026
C) 2,990	C) 7,774
- 5) Cost for 4" service for commercial use.

<u>Water</u>	<u>Sewer</u>
A) \$3,289	A) \$11,212
B) 4,036	B) 11,960
C) 4,485	C) 12,707

6)	Cost for 6" service for commercial use.			
	<u>Water</u>		<u>Sewer</u>	
	A)	\$6,578	A)	\$22,425
	B)	7,325	B)	24,667
	C)	8,222	C)	26,162

Source: Columbia County Water and Sewer Services Division

Billing Policy

Monthly bills are prepared each month based on usage during the previous month. All meters are read beginning on the first of each month and completed by the 20th of each month. The bills are computed by using the amount of usage determined by the meter readings. The monthly bills are prepared and mailed on the last day of each month. The water and sewer bill is due upon receipt and customers are subject to cutoff for bills not paid by the 20th of the second month. After the 15th of each month, a ten percent penalty is imposed. System personnel are sent to the location of the customer to disconnect service for nonpayment. A \$25.00 reconnect fee is charged to each customer for services discontinued due to nonpayment of the water and sewerage bill.

[Remainder of Page Intentionally Left Blank]

Major Users of the System

The following table shows the 10 largest users of the System and the water and sewerage revenues derived from such customers for the 12 months ended June 30, 2003.

Ten Largest Customers

<u>User</u>	<u>Business</u>	<u>Total Revenues</u>	<u>Percentage of Total Operating Revenues</u>
City of Grovetown	Local Government	\$217,491	1.19%
City Hall (Harlem)	Local Government	141,017	.77
World Color	Manufacturer	139,194	.76
Brandon Wilde	Retirement Community	107,405	.59
Board of Education	Local Government	59,750	.33
Walden Glen Apartments	Apartment Complex	43,142	.24
Jensen's, Inc. (Wymberly)	Retirement Community	39,766	.22
Wedgewood Apartments	Apartment Complex	37,321	.20
Shenandoah Ridge Assoc.	Apartment Complex	53,781	.30
Greenfield Industries	Manufacturer	25,630	.14
Total		<u>\$864,497</u>	<u>4.74%</u>

Source: Columbia County Water and Sewer Services Division

Water and Sewerage Customers

<u>Year Ended June 30</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	<u>Annual Growth</u>
1982	8,509	5,380	13,889	--
1983	8,617	5,987	14,604	5.1%
1984	9,499	6,594	16,093	10.2
1985	10,768	7,482	18,250	13.4
1986	12,176	8,513	20,689	13.4
1987	13,259	9,403	22,662	9.5
1988	14,267	10,244	24,511	8.2
1989	14,949	10,797	25,746	5.0
1990	16,311	11,846	28,157	9.4
1991	17,113	12,534	29,647	5.3
1992	18,474	13,753	32,227	8.7
1993	19,465	14,303	33,768	4.7
1994	20,803	15,115	34,918	3.4
1995	21,306	15,824	37,130	6.3
1996	22,235	16,911	39,146	5.4
1997	23,197	17,919	41,116	5.0
1998	24,009	18,833	42,842	4.2
1999	25,069	19,739	44,808	4.5
2000	26,001	20,536	46,537	3.8
2001	26,919	21,281	48,200	3.5
2002	28,054	22,332	50,386	4.5
2003	29,853	23,882	53,735	6.6

Source: 1982 - 1990 Consulting Engineers Report of Zimmerman, Evans & Leopold, Inc. dated June 1991; 1991-2002 provided by Columbia County Water and Sewer Services Division

Number of Customers

The System currently delivers water to 28,054 customers.

	<hr/> Historical Water System Demands Year				
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Water Customers	25,069	26,001	26,919	28,054	29,853
Average Daily Demand (MGD)	12.75	12.1	12.1	12.1	12.1
Treated Storage Capacity (MGD)	15.5	20.5	20.5	21.0	21.0

Source: Columbia County Water and Sewer Services Division

[Remainder of Page Intentionally Left Blank]

Five-Year Operating History

Set forth below is a historical, comparative summary of the operating revenues of the System for the past five fiscal years. For more detailed information regarding the financial results and condition of the System, see the audited financial statements of the System for the fiscal year ended June 30, 2003, included in the financial section of the Comprehensive Annual Financial Report. The information in the following table has been extracted from the audited financial statements of the County for the fiscal years ended June 30, 1999 to 2003. No interim period financial statements are provided as the County does not prepare interim financial statements.

COLUMBIA COUNTY WATER AND SEWERAGE SYSTEM Summary of Operating Results Fiscal Years Ended June 30

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
TOTAL OPERATING REVENUE	<u>\$12,684,128</u>	<u>\$14,284,721</u>	<u>\$13,977,635</u>	<u>\$15,483,535</u>	<u>\$18,226,969</u>
Other Operating Expenses	5,305,150	5,783,695	6,170,639	7,187,774	7,518,751
Depreciation and Amortization	<u>2,861,523</u>	<u>3,165,530</u>	<u>3,511,489</u>	<u>3,778,252</u>	<u>4,305,952</u>
TOTAL OPERATING EXPENSES:	<u>8,166,673</u>	<u>8,949,225</u>	<u>9,682,128</u>	<u>10,966,026</u>	<u>11,824,703</u>
OPERATING INCOME	4,517,455	5,335,496	4,295,507	4,517,509	6,402,266
Non-Operating Revenues and (Expenses):					
Interest Income	795,439	754,764	2,473,439	918,302	290,766
Interest Expense	(2,439,765)	(2,429,279)	(3,326,632)	(2,107,218)	(2,099,158)
Other	<u>-0-</u>	<u>355,137</u>	<u>21,789</u>	<u>344,837</u>	<u>0</u>
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>(1,644,326)</u>	<u>(1,319,378)</u>	<u>(831,404)</u>	<u>(844,079)</u>	<u>(1,808,392)</u>
CONTRIBUTIONS/TRANSFERS					
Contributions	-0-	-0-	1,949,136	2,297,201	-0-
Transfers	-0-	-0-	-0-	(628,569)	-0-
NET INCOME/CHANGE IN NET ASSETS	<u>\$2,873,129</u>	<u>\$4,016,118</u>	<u>\$5,413,239</u>	<u>\$5,342,062</u>	<u>\$4,593,874</u>

Historical Debt Service Coverage

The following table shows the historical debt service coverage of the System for the past five fiscal years.

	<u>Fiscal Years Ended June 30</u>				
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Net Income	\$2,873,129	\$4,016,118	\$5,413,239	\$5,342,062	\$4,593,874
Plus:					
Interest Expense	2,439,765	2,429,279	3,326,632	2,107,218	2,099,158
Depreciation and Amortization	2,861,523	3,165,530	3,511,489	3,778,252	4,305,952
Less:					
Interest Income on Construction					
Fund and Investment Account	795,439	754,764	2,473,439	918,302	290,766
Other Nonoperating Revenue	<u>-0-</u>	<u>355,137</u>	<u>21,789</u>	<u>344,837</u>	<u>-0-</u>
Net Income Available for Debt Service	<u>\$7,378,978</u>	<u>\$8,501,026</u>	<u>\$9,756,132</u>	<u>\$9,964,393</u>	<u>\$10,708,218</u>
Total Annual Debt Service (1)	<u>\$4,017,334</u>	<u>\$4,085,079</u>	<u>\$4,738,638</u>	<u>\$5,450,261</u>	<u>\$5,490,310</u>
Historical Debt Service Coverage	1.84x	2.08x	2.06x	1.83x	1.95x

(1) Total annual debt service includes principal and interest of revenue bonds only.

[Remainder of Page Intentionally Left Blank]

Projected Net Revenues Available for Debt Service

The following projection of net revenues available for debt service was prepared by the County's consulting engineers, Zimmerman, Evans and Leopold, Inc.

<u>Year Ending June 30</u>	<u>Operating Revenues</u>	<u>Operating and Maintenance Expenses</u>	<u>Net Revenues Available for Debt Service</u>
2001	\$13,054,253	\$6,609,734	\$6,444,519
2002	14,259,060	6,961,451	7,297,609
2003	14,833,507	7,324,963	7,508,544
2004	15,412,943	7,700,614	7,712,329
2005	15,997,439	8,088,756	7,908,683
2007	16,587,068	8,489,752	8,097,316
2008	17,181,904	8,903,975	8,277,929
2009	17,782,021	9,331,807	8,450,214
2009	18,387,495	9,773,642	8,613,853
2010	18,998,404	10,229,883	8,768,521
2011	19,614,823	10,700,946	8,913,877
2012	20,236,833	11,187,257	9,049,576
2013	20,864,512	11,689,254	9,175,258
2014	21,497,942	12,207,388	9,290,554
2015	22,137,203	12,742,121	9,395,082
2016	22,783,052	13,293,928	9,489,124
2017	23,434,931	13,863,298	9,571,633
2018	24,092,926	14,450,731	9,642,195
2019	24,757,123	15,056,743	9,700,380
2020	25,427,609	15,681,863	9,745,746
2021	26,104,472	16,326,636	9,777,836
2022	26,787,803	16,991,619	9,796,184
2023	27,477,691	17,677,386	9,800,305
2024	28,174,228	18,384,527	9,789,701
2025	28,876,691	19,113,647	9,763,044

This projection of net revenues was prepared in connection with the offering and issuance of the Series 2000 Bonds on or about March 2000. A copy of an Engineering Report, dated February 2000, containing, among other things, this projection of net revenues is available upon request from the County.

[Remainder of Page Intentionally Left Blank]

Budget

Set forth below is the System's budget for fiscal year ending June 30, 2004.

2004

Revenues:

Water Sales	\$ 9,000,000
Sewerage Sales	6,000,000
Other	<u>2,319,653</u>
Total Revenues	\$ <u>17,319,653</u>

Expenditures:

Personnel Costs	\$ 3,580,205
Operating Supplies	768,940
Chemicals	370,000
Utilities	1,007,600
Debt Service and Interest Expense	5,823,249
System Renewal & Extension	2,943,197
Other	<u>2,826,462</u>
Total Expenditures	\$ <u>17,319,653</u>

Employees and Employee Benefits

The System has 85 employees. The System contributes to a group medical and a group life insurance plan. All employees are covered by social security, workers' compensation, and unemployment insurance. In addition, the System provides employees with sick leave, annual leave and other leave. The System offers dental insurance plans, supplemental life insurance plans, and disability of sickness plans. The System contributes to a 401(a) Defined Contribution Retirement Plan administered by Nationwide Retirement Solutions and has made available to all employees an Internal Revenue Code Section Deferred Compensation Plan. The employees of the System are not represented by a union.

Accounting

For a summary of the significant accounting policies, see the System's annual financial report.

General Obligation Bonds Disclosure

\$28,715,000
COLUMBIA COUNTY, GEORGIA
General Obligation Bonds
(Courthouse/Detention Center Projects)
Series 1998

Tax Collection

The Columbia County Tax Commissioner collects taxes which have been levied by the State of Georgia, the County, the Columbia County School District and the Cities of Grovetown and Harlem. Tax bills are normally mailed in September and may be paid without interest or penalty through November 15th of each year. However, whenever the tax bills are mailed a taxpayer has 60 days to pay. After the due date, interest at the rate of 1% per month (or any portion thereof) and a penalty fee of 10% per annum (after 90 days) are added.

Calendar Year of Levy	Total Levy ⁽¹⁾	Total Tax Collections ⁽²⁾	% of Total Levy Collected	Outstanding Delinquent Taxes
1999	40,846,290	40,832,494	99.97	13,796
2000	43,094,113	43,050,862	99.90	43,251
2001	45,071,501	44,989,294	99.82	82,207
2002	46,876,797	46,534,572	99.27	342,225
2003	50,418,838	46,909,240	93.04	3,509,598

⁽¹⁾ Includes all taxes levied by the County, the Columbia County School District, the State of Georgia and the municipalities located within the County.

⁽²⁾ As of December 17, 2003.

Source: Columbia County Tax Commissioner.

[Remainder of Page Intentionally Left Blank]

Historical Property Tax Data

The following table presents the assessed value (40% of fair market value, except timber which is 100% of fair market value) of taxable property within the County for the last five calendar years.

	<u>Assessed Values</u>									
	<u>Real and Personal Property⁽³⁾</u>	<u>Motor Vehicles</u>	<u>Mobile Homes</u>	<u>Public Utilities</u>	<u>Gross Tax Digest</u>	<u>Bond Exemptions</u>	<u>General Obligation Bond Tax Digest⁽¹⁾</u>	<u>Maintenance & Operations Exemptions</u>	<u>Maintenance & Operations Tax Digest⁽²⁾</u>	<u>Estimated Actual Value</u>
1999	1,731,226,333	210,452,787	13,596,286	46,672,921	2,001,948,327	153,583,653	1,848,364,674	183,557,192	1,818,391,135	5,004,870,817
2000	1,890,006,489	232,554,654	13,605,887	46,656,796	2,182,823,826	171,698,589	2,011,125,237	203,197,278	1,979,626,548	5,457,059,565
2001	2,085,200,836	260,114,310	13,505,383	46,110,040	2,404,930,569	201,181,313	2,203,749,256	233,029,706	2,171,900,863	6,012,326,423
2002	2,156,115,421	264,703,966	12,789,471	46,343,527	2,479,952,385	213,562,493	2,266,389,892	247,371,998	2,232,580,387	6,199,880,963
2003	2,301,645,553	267,976,520	11,959,826	47,691,780	2,629,273,679	217,793,437	2,411,480,242	251,887,437	2,377,386,242	6,573,184,198

⁽¹⁾Total assessed value, after deducting exemptions, for purposes of levying tax for County's general obligation bonds.

⁽²⁾Total assessed value, after deducting exemptions, for purposes of levying tax for the support and maintenance of the County.

⁽³⁾Includes assessed value of timber.

Source: Columbia County Tax Commissioner.

[Remainder of Page Intentionally Left Blank]

Tax Rates - Mills

Set forth below is information concerning the rate of levy of property taxes per \$1,000 of assessed value (millage rates) of the County for the past five calendar years.

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
State of Georgia	0.25	0.25	0.25	0.25	0.25
County, Maintenance & Operations	6.56	6.56	7.35	7.05	6.93
County, Bond	1.14	1.14	0.35	0.65	0.77
School, Maintenance & Operations	17.51	17.18	17.18	17.18	17.18
School, Bond	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL (Unincorporated County)	25.46	25.13	25.13	25.13	25.13

Source: Columbia County Tax Commissioner.

Principal Taxpayers

The following table sets forth the taxes levied for the County against the ten largest taxpayers in the County for 2003.

	<u>Taxpayers Name</u>	<u>Assessed Valuation</u>	<u>Taxes Levied</u>
1.	Georgia Power	\$23,596,098	\$163,521
2.	John Deere Commercial Products	19,791,507	137,155
3.	Quebecor World Inc.	17,239,682	119,471
4.	Bell South Telecommunications	11,819,112	81,906
5.	Walmart Real Estate Business	10,426,753	72,257
6.	Club Car Inc.	7,082,425	49,082
7.	Atlanta Gas Light Company	6,350,499	44,008
8.	KRI Inc.	4,829,431	33,467
9.	Walden Glen LLC	4,557,631	31,584
10.	South Carolina Elec & Gas	<u>3,615,475</u>	<u>25,055</u>
		<u>\$109,308,613</u>	<u>\$757,507</u>

Source: Columbia County Tax Commissioner.

Single Audit



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

Board of Commissioners
Columbia County, Georgia

We have audited the basic financial statements of *Columbia County, Georgia* (the "County"), as of and for the year ended June 30, 2003, and have issued our report thereon date November 14, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As a part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Commissioners, the audit committee, management, federal awarding agencies and pass-through entities and is not intended to be and should be used by anyone other than these specified parties.

Elliott Davis, LLC

Augusta, Georgia
November 14, 2003



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners
Columbia County, Georgia

Compliance

We have audited the compliance of *Columbia County, Georgia* (the "County"), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, *Columbia County, Georgia* complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in

order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Commissioners, the audit committee, management, federal awarding agencies and pass-through entities and is not intended to be and should be used by anyone other than these specified parties.

Elliott Davis, LLC

Augusta, Georgia
November 14, 2003

COLUMBIA COUNTY, GEORGIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Community Development Block Grant	14.219	00p-y036-1-2389	<u>83,667</u>
<u>U.S. Department of Justice</u>			
Juvenile Accountability Block Grant	16.523	00B-ST-001	\$ 7,699
Juvenile Accountability Block Grant	16.523	02B-ST-002	18,416
Local Law Enforcement Block Grant	16.592	2002-LB-BX-1932	<u>15,528</u>
			<u>41,643</u>
<u>U.S. Department of Natural Resources</u>			
(Passed through the Georgia Department of Natural Resources)			
Reed Creek Park Redevelopment	15.916	13-00809	<u>38,441</u>
<u>U.S. Department of Transportation</u>			
(Passed through the Georgia Department of Transportation)			
UMTA/Transit Operating Assistance	20.507	GA-18-9021	62,709
UMTA/Transit Operating Assistance	20.507	GA-18-9022	70,418
TEA	20.205	STP-0000-00(150)	389,434
ISTEA	20.205	STP-0002-00(284)	2,263
Transportation Enhancement	20.205	STP-000E(107)	<u>30,400</u>
			<u>555,224</u>
<u>Federal Emergency Management Agency</u>			
Hazard Mitigation	83.516	HMGP 1033-0128 (1)	5,192
Hazard Mitigation	83.548	HMGP 1033-0125 (1)	<u>1,305</u>
			<u>6,497</u>
HMGP - Local Government Plan	83.557	HMGP 1311-0009	<u>8,846</u>
			<u>\$ 734,318</u>

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

COLUMBIA COUNTY, GEORGIA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2003

Note 1 – Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Columbia County, Georgia, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Non-cash awards

Columbia County, Georgia, did not receive any non-cash federal awards during the year ended June 30, 2003.

COLUMBIA COUNTY, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2003**

SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Reportable conditions identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Reportable conditions identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
• Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

20.205

TEA

Dollar threshold used to distinguish between type A and type B programs

\$300,000

(Continued)

COLUMBIA COUNTY, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2003**

SUMMARY OF INDEPENDENT AUDITOR'S RESULTS, Continued

Federal Awards, Continued

Auditee qualified as low risk auditee	Yes
---------------------------------------	-----

**FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT AS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY
ACCEPTED GOVERNMENT AUDITING STANDARDS**

Reportable Conditions in Internal Control	None reported
---	---------------

Compliance Findings	None reported
---------------------	---------------

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None reported
